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FINANCIAL TIMES

No. 26,926

Tuesday March 23 1976

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GENERAL

Bedsit owners aid hunt for IRA

London landlords, responding to a call from Scotland Yard's Anti-Terrorist Squad for help, yesterday supplied a number of leads about possible IRA bombers.

Scotland Yard said there had been a "swift response" following an appeal by Commander Roy Habershon, head of the squad, to landlords of furnished accommodation to "make sure your tenant is not a bomber". Police were following up the tips.

Meanwhile, five men and one woman detained last Friday after the discovery of a bomb factory at Lavender Hill, in Battersea, south-west London, were still being held last night.

In Belfast, the Provisional IRA last night claimed responsibility for yesterday afternoon's bombing of the Plaza, a disused ballroom in the city centre. Another explosion, and was made near the "front" school where troops discovered a cache last week. Ulster work problem.

Gromyko here for talks

Mr. Andrei Gromyko, the Soviet Foreign Minister, is in London for three days of talks. Back Page.

Parliament, Page 13. In Moscow, the U.S. Embassy said that test messages had been successfully transmitted via a satellite hotline which will replace the Kremlin-White House land line.

Argentina coup forecast

Reports from Buenos Aires last night suggested the imminent fall of President Maria Estela Lorenzini's Government, possibly as the result of a military coup d'etat. The reports spoke of Lt. Gen. Jorge Videla, Argentina's army commander, being the likely new head of state. Page 3.

Journalists' closed shop opposed

The Newspaper Society, which represents provincial newspapers, voiced total opposition to a union closed shop for journalists in evidence given to the Royal Commission on the Press yesterday by Mr. David Green, the society's president. Page 3.

£1m. provision for authors

Details of a Public Lending Right Bill which will provide authors with up to £1m. from public funds were published yesterday. The money is to be distributed on the basis of the number of loans of a particular book from lending libraries throughout the country. Back Page.

Princess keeps warship date

Princess Margaret will make her first public appearance since the announcement of her separation from Lord Snowdon when she attends a Pool of London reception aboard the guided-missile destroyer HMS Hampshire to-day before the vessel is paid off. The Princess named and launched the warship on Clydebank in March 1961.

Winter returns

Wintery conditions, with up to eight inches of snow, gripped many parts of Britain yesterday—the first full day of summer time. Dry, cold weather is forecast for the next few days.

Briefly...

Kr. 11, French entry in the FT Clipper Race, may break two records. Page 10.

Dominic Wigan landed a 25-1 treble with yesterday's started selections at Folkestone. To-day's racing, Page 2.

Committee proceedings against Donald Neilson, 39, who is charged with murdering Shropshire heiress Lesley Whitte, are to take place next week.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISERS:	
Treasury 12½ 1903...	2024 + 1
Barclays Bank	278 + 4
Heath (C.E.)	304 + 6
Home Counties:	
Newspapers	35 + 3
La Bas (Edwards)	32 + 4
Rockware	88 + 4
Sale Tiley	86 + 13
Weyburn Eng.	660 + 25
Pan Ocean	1112 + 11
Westfield Minerals	185 + 10
FALLS:	
Broken Hill Prop.	720 - 15
De La Rue	2188x - 9
EMI	257 - 4
Felkstone Dock	132 - 6
Pisons 'New'	18 - 4
Francis (Parker)	151 - 4
CEC	151 - 4
Gill & Duffus	144x - 7

BUSINESS

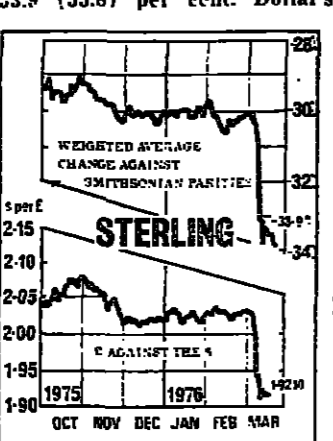
Equities lose 3.0 in quiet trading

EQUITIES had the quietest start to a new Account for six months, with the exception of Christmas. The FT 30-Share Index lost 3.0 to 391.3, the lowest for two months.

GILTS marked time, with the Government Securities Index edging up 0.03 to 81.33.

WALL STREET rose moderately before surrendering some of the gain to close 2.44 ahead at 982.29.

STERLING closed 5 points lower at 81.9210; its trade weighted depreciation widened to a record closing figure of 33.9 (33.8) per cent. Dollar's



weighted fall widened to 2.12 (2.07) per cent. Currency markets were calmer and strains on the European snake eased. Back Page.

GOLD gained 8½ to \$344. U.S. TREASURY, 10½ at this week's auction. Three-month T-bills at 9.81 per cent. Six-month T-bills at 9.85 per cent.

Jaguar returns to the track

LEYLAND CARS will divert up to a twelfth of its advertising budget this year into racing Jaguar XJ5.3 saloons in the European Championship for Touring Cars. Jaguar had several victories in the 1950s, but the works team was disbanded in 1957. Page 8.

BRITISH PETROLEUM and local interests will build £40m-£50m. protein production plant in Venezuela. Page 4.

BUILDING SOCIETIES Association says that Government intervention in the housing market is generally undesirable. It says the way to help more people become home owners is to concentrate new building in the private sector and to sell council houses. Page 10.

CONCORDE'S payload on take-off from Bahrain has been increased. British Airways offers up to 80 of the 100 seats, nine more than before. Page 10.

MR. PAT MATTHEWS resigned from the Board of First National Finance Corporation, the secondary banking concern which he created and formerly headed. Back Page.

INTERNATIONAL COMPUTERS (ICL) will join Control Data of the U.S. in a company to deal in computer ancillary products. ICL will receive more than £1m. extra, which will help meet the cost of its deal with Singer. Back Page.

COMPANIES

ROLLS-ROYCE MOTORS increased pre-tax profit last year to £5.7m. (£4.9m.) on turnover of £78.7m. (£58.3m.). Page 20 and Lex.

REED International has acquired control of the private Dutch paper company Papierfabriek "De Hoop" H. Bos En Zonen B.V. for £13.3m. Page 20.

GUEST KEEN AND NETTLEFOLDS (GKN) is borrowing £100m. (£20.6m.) through a bond issue. Page 23 and Lex.

Majority rule must be accepted before UK helps Rhodesia

BY MALCOLM RUTHERFORD

Britain has offered to help underwrite a Rhodesian settlement, but only on certain conditions. The Government is going over the head of Mr. Ian Smith, the Rhodesian Prime Minister, in a direct appeal to the white Rhodesian electorate to throw him out if he finds the conditions unacceptable.

Mr. James Callaghan, the Foreign Secretary, told the House of Commons yesterday that hopes of a settlement now depended on a two-stage operation. The first was the prior acceptance by all the principal parties of a number of preconditions. The second was the negotiation of the actual terms of a constitution for independence.

The preconditions were as follows:

- Acceptance of the principle of majority rule.
- Elections for majority rule to take place in 18 months to two years.
- Agreement that there will be no independence before majority rule.
- The negotiations must not be long drawn out and there would need to be assurances that the transition to majority rule and to an independent Rhodesia would not be thwarted, and would be orderly.

Only if all these preconditions were accepted would it be possible to move to stage two. In answers to questions, Mr. Callaghan told the House that he did not want to tie himself to the 18-month timetable, but he believed that it was "not unreasonable" and could well be acceptable to the majority if it was believed to be a reality. He also admitted that there

Crosland accuses BBC as Labour election opens

BY PHILIP RAWSTORNE

VOTING IN the Labour leadership election started briskly last night with six Cabinet Ministers still in the field at the close of nominations. The result of the first ballot will be announced on Thursday.

With the contest finally under way, there were signs of growing tension in the campaigns of the rival candidates.

Mr. Anthony Crosland, Environment Secretary, last night sent a strong letter of protest to the BBC about the exclusion of Mr. Anthony Wedgwood Benn and himself from interviews on the Panorama programme.

"It is not for the BBC arrogantly to assume the right to pick and choose between candidates in the election for the leadership of the Labour Party," Mr. Crosland complained.

The BBC should give equal time and treatment to the contestants, he said. "A clear display of bias like this one will arouse great resentment. It was an indefensible decision."

In a reply to Mr. Crosland's complaint Sir Charles Curran, director general of the BBC, said there was no point in trying to pack interviews with all the candidates into one programme, but Mr. Crosland had been offered an interview in the To-night programme—an invitation which he had declined.

The situation was made more difficult by the fact that Mr. Callaghan was refusing to be interviewed and therefore an all-six forum was impossible.

While this skirmish was going on, the BBC intervened in another row over reports that some of

the minister fighting the election were being helped in their canvassing and at Press conferences by temporary civil servants.

Mr. Wilson issued strict instructions that civil servants, including special advisers to ministers, should resign their appointments if they wished to take an active part in the campaign.

Amid these diversions, Mr. James Callaghan, Foreign Secretary, was reinforcing his position as favourite with a soundly competent performance in the Commons.

His Rhodesia initiative was widely welcomed on the Labour back benches. "I don't intend to be offensive to anybody—not this week anyway," he said and laughed.

Mr. Michael Foot, Employment Secretary, said he would lead the first ballot, gained some favour among Labour MPs as a result of a bitter attack on him by Lord Hailsham, the former Lord Chancellor.

Heaven help this country if he were ever elected leader of that party. Lord Hailsham told the Lords. Mr. Foot was "about as genuine a friend of liberty as Robespierre," he said. "When in Opposition, he operates as a tyrant."

There is no suggestion that the World Wide policy now placed in London breached any understanding. But various members of the Joint Hull Committee are believed to claim that it should not have been written at a time when the committee is arguing that marine insurance rates need a 20 per cent. increase to bring them to a "realistic" level.

Fierce competition from foreign markets has kept London rates artificially depressed.

power, an electoral dictatorship. Mr. Denis Healey, still seen after the week-end consultations of MPs with their local parties as a possible serious challenger to Mr. Callaghan in the final stages of the election, flatly denied a suggestion on ITN's First Report that he would be eliminated on Thursday.

"I think that there is a growing feeling in the Parliamentary Party that they must not go for the soft option," he said. "They must choose a leader who can wrench this country out of the path it has been following since the Second World War and be relied on to stick to it, not only until the next election but to win the next election and run the Government after that."

Supporters of Mr. Roy Jenkins, now deeply engaged in the struggle for the party's centre vote, claimed that Mr. Callaghan's band wagon was slowing. "We'll get the votes for Healey and Crosland once they are knocked out and that will make all the difference," one Jenkins supporter said.

Mr. Benn, vying with Mr. Foot for the left-wing vote, also made a bid yesterday for the anti-Market vote which the Employment Secretary has been attracting.

In a three-point statement, Mr. Benn underlined his antipathy towards the idea of direct elections to the European Parliament. They could weaken Parliamentary democracy in Britain and should be referred to Speakers' Conference, he said.

Parliament, Page 13

Six quit marine insurance body

BY JOHN WYLES, SHIPPING CORRESPONDENT

THE FUTURE of the voluntary understandings which regulate competition between London's marine insurance underwriters has been brought into question by six resignations from the Joint Hull Committee which administers the system.

The resignations, which include that of Mr. Henry Chester, deputy chairman of the 16-man committee, are the culmination of several months of increasing tension allegedly caused by a growing number of underwriters flouting the committee's policies.

Although they lack the force of hard and fast rules, the committee's understandings require signatories to observe guidelines on such matters as fixing premiums and policy renewal procedures. With half of its membership drawn from Lloyd's and the other half from the marine insurance companies, the committee has recently shown signs of dividing into two factions because, it is understood, of evidence that underwriters,

who were mostly members of Lloyd's, were writing policies which appeared to ignore the guidelines.

Matters were brought to a head by the insurance recently of Mr. Y. K. Pao's 50-vessel fleet at rates lower than the terms originally quoted by his World Wide Shipping Group 12 months ago. Last year's terms were apparently not competitive enough to persuade the group to keep its business in London and the insurance was placed abroad for a year.

There is no suggestion that the World Wide policy now placed in London breached any understanding. But various members of the Joint Hull Committee are believed to claim that it should not have been written at a time when the committee is arguing that marine insurance rates need a 20 per cent. increase to bring them to a "realistic" level.

Five members of the committee who were involved in writing the World Wide policy responded by submitting their resignations. Four of these are members of Lloyd's—Mr. M. Maughan, Mr. J. Bader, Mr. J. Oliver and Mr. P. Cameron. Webb—while the fifth, Mr. D. Lowen is with the Orion Insurance Company. Mr. Chester, who is also a member of Lloyd's, did not have a share of the World Wide insurance.

Internal rows forced the breakdown of the committee system for a year in the early 1930s. Many underwriters were reluctant to see the system break down again, in spite of the current uncertainties.

It was being suggested yesterday that a reconstitution of the committee with the full Lloyd's complement may depend on the quality of assurances offered by Lloyd's that its members will be discouraged from trying to win a competitive edge at the expense of the guidelines.

Heads of black states to meet

By Bridget Bloom, Africa Correspondent

DAR-ES-SALAAM, March 22.

A SUMMIT MEETING of the three African presidents directly concerned with Rhodesia is to take place in Lusaka on Wednesday, primarily to discuss their strategy towards the rebel colony following the breakdown last week-end of the Smith-Nkomo talks.

President Julius Nyerere of Tanzania will fly to the Zambian capital early on Wednesday and have talks with President Kenneth Kaunda of Zambia and President Samora Machel of Mozambique which are expected to last all day.

It is not yet clear whether the three men will be joined by President Seretse Khama of Botswana but it is thought here that Rhodesia's divided African nationalist leaders—from both the internal and external wings of the African National Council—have also been invited.

There is some interest here as to whether Mr. Joshua Nkomo, who went to Lusaka less than a week ago but before the breakdown of his talks with the Rhodesian Government, will now be allowed to leave Rhodesia.

Meanwhile, initial reaction here to Mr. Callaghan's statement in the House of Commons has been favourable.

While the substance of Wednesday's Lusaka meeting is unlikely to be made public, sources here suggest that the three presidents are likely to agree there should now be an intensification of the guerrilla war against Rhodesia although it is not known whether President Kaunda is yet prepared to allow a "third front" to be opened across Zambia's southern border with Rhodesia.

If all the nationalist leaders attend the conference, it is thought that an effort will be made, once again, to get them to unite at least in joint backing for the guerrilla war.

The guerrillas themselves were now clearly a much more major factor in the whole Rhodesian equation. Although as yet they apparently do not aspire to political leadership of the struggle for majority rule, last November guerrilla elements formerly under the umbrella of Zanu and Zapu (the two major Rhodesian nationalist parties which merged into the ANC in late 1974) combined to form a joint military command.

It is thought that this command, under an 18-member council, has been primarily responsible for opening the new front along Rhodesia's eastern border with Mozambique.

Cabinet meets as Beirut is shelled

BY ISHAN HAJAZI

BEIRUT, March 22.

WITH at least 100 people killed since dawn, Beirut to-night was still in the grip of some of the heaviest fighting the Lebanese capital has experienced since the civil conflict began last April.

It is believed that President Frangieh may be willing to resign if constitutional forms are observed. But with feelings enflamed and the conflict escalating the prospects for any kind of negotiated settlement looked very dim indeed to-night.

As the situation deteriorated and large areas of the city were exposed to indiscriminate shelling, the Cabinet met to-day at nearby Baabda to consider new Syrian-backed proposals for a settlement.

The session was summoned after a meeting between President Frangieh and Mr. Rashid Karami, the Premier, who had spoken since the latter joined forces with 65 other members of parliament in demanding the head of State's resignation eight days ago.

This evening right-wing forces of the Phalangist Party resumed their barrage of fire from heavy artillery pieces—variously reported as 120 mm. and 155 mm.—on Muslim quarters in the north-east of Beirut. Last night the guns placed in the hills overlooking the capital damaged scores of buildings, forcing the residents to flee to shelters.

The fire seemed directed, in part at least, at the routes used by the left-wing militia to send reinforcements and supplies to the sea-front base area. There the fighting, which erupted at the week-end continues to rage this evening.

In a confused and chaotic situation, elements of the right-wing Christian forces of the Phalangist Party succeeded early to-day in regaining a foothold in the Holiday Inn from which they had been forced yesterday by the

Al Maroubitoun militia of the Independent Nasserite Movement. They were said by the Nasserites to have infiltrated disguised in the uniform and berets of the Palestine Armed Struggle Command military police who are responsible for security in the Muslim part of the City.

Last night the Nasserite radio station claimed that the last pockets of resistance in the Holiday Inn had been eliminated and the whole sea-front district was under its control.

To-day, the left-wing forces were moving up their own heavy artillery and it was expected that the Christian districts would face heavy bombardment to-night.

Embassies of European Community members issued jointly a strong verbal protest to President Frangieh and Mr. Karami and appealed to the authorities to do all they could to restrain the militia and stop the indiscriminate shelling of Ras Beirut where most of the embassies are located and where most of the foreign population is still living.

Mr. Guy Barrioulet, the French Vice-Chancellor, was injured seriously when a mortar shell landed outside his office.

The Cabinet discussed new Syrian proposals aimed at ending the growing crisis and laying the basis for a political settlement. Damascus is understood to have proposed a revision of the constitution to enable a successor to President Frangieh to be elected six months before his term of office expires in September instead of the customary two.

A four-point plan which Syrian leaders discussed with both Christian and Muslim politicians last week in Damascus also provides for an amnesty for all deserters to be announced by the Government and a programme of political reform to be ratified by the National Assembly.

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State firms—the seat of power

BY C. GORDON TETHER

IT IS unfortunate that we are so much inclined in the U.K. to resist making changes in traditional principles and practices long after it has become abundantly clear that they have outlived their usefulness. It is no less unfortunate that we are apt, once we have at last instituted long-overdue reforms, to treat the new arrangements as being just as sacrosanct as the old. For the sensible thing is clearly to regard them as experimental.

The arrangements governing the relationships between the State and the nationalised industries are very much a case in point. The ground rules laid down by Herbert Morrison when Britain's first big nationalisation operation was being carried through 30 years ago have been hardly looked at—let alone revised—since that time. And it is a matter for considerable satisfaction, therefore, that the Government is now said to be turning its attention to this important issue.

Defensive

The original case for State ownership of public utilities and other major parts of the economic infrastructure was largely based on the argument that continuing private ownership of such crucial elements in the country's economic life would leave it excessively exposed to the machinations of the capitalist system. And, in its determination to point up the purely defensive nature of the exercise, the Labour Government of the time bent over backwards to demonstrate that nationalised concerns would continue to function, as near as made no difference, on private enterprise lines.

To this end, the principle was established that the heads of nationalised industries, once appointed, would be left to run their shows in the manner they considered to be in the national interest, free from political interference.

Such an approach is totally out of harmony with the environment in which the public-sector industries operate today—as has recently become only too apparent from the long and somewhat bitter arguments that have developed between the heads of the steel and railway boards and Whitehall.

As things stand, the head of nationalised industry will inevitably see his terms of reference as requiring him to attach the highest priority to making an economic and financial success of his venture. But that may well result in his feeling impelled to take steps that are

calculated to have consequences elsewhere that can be considered undesirable for social, ecological, economic or other reasons.

As the main custodian of the national interest, the Government has a duty to ensure that such considerations are taken proper account of in the evolution of the policies of nationalised industries. For example, at a time when a great deal of thought is having to be given—in the world at large as well as in the U.K.—to the implications for the emergent unemployment problem of the modernisation obsession, it is obviously right that Whitehall should question the wisdom of a reconstruction of our steel industry that would cut its workforce by a half in order to improve its profitability.

Again, it is to be accepted—as it might well be—that the railway system should be preserved for the day when it will be necessary to take full advantage of the help it could give in making a limited supply of fuel go round. It is obviously wrong that profitability should now be the main criterion in determining how much of it should be kept in operation.

It is certainly arguable that it is not appropriate in the first place to endow the chiefs of the nationalised industries with powers that did not belong to the owners of their industries—the public—or their representatives in Parliament. For this put them in an even more "untouchable position" than the heads of private industries, who—after all—have some measure of responsibility to their shareholders.

Wide Range

What cannot be denied is that the present set-up is totally out of touch with reality now that such a wide range of factors have to be taken into account in the development of public sector industrial policies.

What is needed, therefore, is a reform that establishes the final responsibility for the conduct of the nationalised industries where it belongs—with Ministers accountable to Parliament and the electorate for the nation at large. The rule of the State Boards would then be formally restricted to all that it effectively can be in a present-day setting—taking charge of day-to-day operation and the implementation of the development policies laid down by the Government.

If this is what the Government has in mind, it is moving in the right direction—but it must ensure that any projected reforms are the subject of full public debate before they are put into effect.

SALEROOM

BY ANTHONY THORNCROFT

Clocks strike a wrong note

YESTERDAY'S sale of watches, clocks and scientific instruments was not one of Sotheby's best. Two of the most highly regarded lots failed to sell and a third went below its forecast. The biggest disappointments were a longcase clock by George Graham, which the bidding stopped at £4,000, half the forecast, and a Daniel Quate bracket clock, which only managed a bid of £4,500, against the £6,000-£9,000 forecast.

At least the Charles Frodsham gold watch of 1824 sold—to a German collector, Dr. Sack, for £5,000, as against the £10,000-£12,000 prediction. Some of the lesser items did comparatively better. A Skeletostron orery clock of the early 19th century was bought by Gumbhjian, a London dealer, for £3,000, and a Dutch walnut musical longcase clock was on target at £3,000. All told, the auction made £74,399.

The highest total of the day was at Phillips, which sold 19th century English and Continental paintings for £110,980. This had been a weak market but yesterday's prices confirmed the more encouraging trend of recent months. Top price was for the £5,000 item by William Dutch street scene by Willem Koekkoek. The same buyer acquired a river landscape by Jan Jacob Spohler for £4,500.



A white glass vase and cover which sold at Christie's for £3,000.

An Iranian buyer was very active, paying £4,800 for The Flower Arrangement by Franz Verhas; £3,200 for a village landscape by Karl Heffner; and £3,000 for The Cook Maid by David de Noter. All the quoted pictures exceeded their estimates.

An interesting feature of the auction was the £220 paid a Belgian dealer, Peter Beckers, for a celadon landscape by Hans van Meegeren, the Dutch forger who sold works of art to the Nazis. His defence was that he only sold his own pictures, and painted a "perfect" Vermeer to prove his point. Under-bidder for the genuine, signed, van Meegeren was the musician Larry Adler.

Perhaps the most successful sale of the day was at Christie's, which disposed of a collection of European white glass for £48,277. White glass is rather an acquired taste, and the saleroom was cautious about its prospects, but very strong German buying ensured that the total was way ahead of the £35,000 estimate.

The top price was the £3,000 (forecast £500-£1,200) for a French baluster vase and cover with the royal arms of France which was made around 1715-30. It was bought by the German dealer, Zeitz, who also gave £1,500 for a French wig stand vase, also from the Loire region. Among the German-made items a decanter and stopper with the coat of arms of the Holy Roman Empire, sold to a collector, and a pair of arms of the Holy Roman Empire, sold to a collector, and a pair of arms of the Holy Roman Empire, sold to a collector.

RACING

BY DOMINIC WIGAN

Morley in line for win 102

DAVID MORLEY, who achieved his 100th success as a trainer when Banilew broke a sequence of 14 second places without a winner for the Timworth stable, by scoring at Folkestone yesterday (the later made it 101 with Napoleon Brandy) can look up his 102nd at Plumpton this afternoon. I expect to see him land the Barcombe Novices' Chase (4.45) with the Bob Davies-ridden Marshelstown.

This newcomer to Morley's yard has already achieved two easily gained successes this season—one over hurdles and one in a novices' chase—and now let him down, as it did in the Tuxford Chase won by Roaring Wind at Doncaster last time out, he should not be hard pressed to regain winning form.

Davies, who kept his championship hopes alive with a treble yesterday, could also be on the mark with Tensip, among the runners for the Iain Buchanan Memorial Challenge Trophy, in which the veteran Curlew River is another with strong claims.

At Nottingham, where that smart hunter 'Chaser, Ben Ruler, is taken to get the better of Sir Guy Cunard's eight-year-old, 2.15—Miss Worden 2.45—September Rain 3.15—Tensip* 3.45—Seven the Quadrant 4.15—Chapsdale 4.45—Marshelstown***

NOTTINGHAM 3.00—Hinterland 4.00—Ben Ruler 4.30—Force Ten 5.00—Rigorous** 5.05—In Vision

Greystoke Pillar, and the Peter Greenall-ridden Playbill in the Derwent Foxhunters' Chase, I hope to see Hinterland make up for a Cheltenham lapse by taking the Trent Chase.

Hinterland, a strong racecourse whizzer at Cheltenham, where a bad blunder cost him his chance, may have much to fear from the top weight, Clomplinton, trained by Roddy Armitage, whose Clarenceux obliged at Folkestone yesterday.

A year ago Gordon Richards saddled the 7-2 chance Gold Kelpie to land division one of Sedgfield's Darlington Novices' Hurdle and he will be hoping that his six-year-old, Sovereign Gold, a two-lengths winner from Fezan at Kelso early in the season, proves up to the trip this time.

Although Gold Kelpie, a Grey Sovereign horse, seems sure to go well, I doubt his giving 11 lb to the progressive Rigorous, who recently chased home Montreal Boy and The Parch here.

In division two of this event I have no hesitation in going for the Tony Dickinson-trained top weight in Vision, who had Montreal Boy two lengths behind in third place when landing a 15-runner event at Teesdale towards the end of last month.

PLUMPTON

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Although Gold Kelpie, a Grey Sovereign horse, seems sure to go well, I doubt his giving 11 lb to the progressive Rigorous, who recently chased home Montreal Boy and The Parch here.

In division two of this event I have no hesitation in going for the Tony Dickinson-trained top weight in Vision, who had Montreal Boy two lengths behind in third place when landing a 15-runner event at Teesdale towards the end of last month.

DAVID MORLEY, who achieved his 100th success as a trainer when Banilew broke a sequence of 14 second places without a winner for the Timworth stable, by scoring at Folkestone yesterday (the later made it 101 with Napoleon Brandy) can look up his 102nd at Plumpton this afternoon. I expect to see him land the Barcombe Novices' Chase (4.45) with the Bob Davies-ridden Marshelstown.

This newcomer to Morley's yard has already achieved two easily gained successes this season—one over hurdles and one in a novices' chase—and now let him down, as it did in the Tuxford Chase won by Roaring Wind at Doncaster last time out, he should not be hard pressed to regain winning form.

Davies, who kept his championship hopes alive with a treble yesterday, could also be on the mark with Tensip, among the runners for the Iain Buchanan Memorial Challenge Trophy, in which the veteran Curlew River is another with strong claims.

At Nottingham, where that smart hunter 'Chaser, Ben Ruler, is taken to get the better of Sir Guy Cunard's eight-year-old, 2.15—Miss Worden 2.45—September Rain 3.15—Tensip* 3.45—Seven the Quadrant 4.15—Chapsdale 4.45—Marshelstown***

NOTTINGHAM

3.00—Hinterland 4.00—Ben Ruler 4.30—Force Ten 5.00—Rigorous** 5.05—In Vision

Greystoke Pillar, and the Peter Greenall-ridden Playbill in the Derwent Foxhunters' Chase, I hope to see Hinterland make up for a Cheltenham lapse by taking the Trent Chase.

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WINE

BY EDMUND PENNINGTON

Tasting those young clarets

MANY PEOPLE these days collect vintage wines, buying them early and, it is hoped, relatively inexpensively, and keeping them until mature. This applies particularly to claret, which follows a far less regular pattern of development than most other fine vintage wines. Moreover, if, as is often the case, the clarets are in the classed-growth range and therefore comparatively expensive, few are anxious to broach their precious hoard prematurely, and this applies even more strongly if the wines are the costly first-growths.

It is therefore of considerable interest to such "collectors" to ascertain how their wines are "getting on" and to discover how their choices seem to compare with their peers in the Bordeaux hierarchy. Here in Britain such comparisons are seldom possible after the tastings of the latest vintage to be bottled and shipped. Occasionally, however, they take place in Bordeaux and over the years I have been offered such opportunities, particularly by the merchant houses of Duclot, a branch of the distinguished Libourne firm of Moueix, and Delor.

Even wider facilities for such tastings have been available to Harry Waugh, formerly of Harvey's of Bristol and today a professional taster, in a series of diaries published over the years which have provided fascinating records of such comparative sampling, in which a number of growers, brokers or merchants have also taken part, and at the end an order of precedence was assembled, according to the votes of those present.

The latest of these diaries—the others, two of them published in the U.S., are out of print—has recently been put out by Christie's Wine Publications with the title Harry Waugh's Wine Diary Vol. 6, and it also includes accounts of the author's American visits, articles on two Bordeaux chateaux, and a record of some notable wine dinners arranged in London by Joseph B e r k m a n.

I also was privileged to attend. Nonetheless, for many readers it will be the accounts of the tastings that form the most interesting items. They include some tastings in California of fairly small ranges of older vintage clarets as 58 and 61, and a larger one of a dozen second-growth 67s, at which no fewer than 18 tasters participated. At the latter was present, first, Harry Waugh, who placed first in the general vote, although Mission-Haut-Brion, Domaine-de-Chaillay and Haut-Bailly.

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TV/Radio

† Indicates programme in black and white

BBC 1

7.05 a.m. Open University. 7.35 For Schools. Colleges. 12.45 p.m. News. 1.00 Posh. 1.45 Along the Trail. 2.15 For Schools. Colleges. 3.25 Crayford Clavd Offa. 3.38 Regional News (except London). 4.00 Play School. 4.25 Crystal Tipps and Aistair. 4.30 Jackson's. 4.45 Goober and the Ghost Chasers. 5.05 John Craven's Newsround. 5.15 Vision On. 5.40 Captain Pugwash. 5.45 Evening News. 6.00 Nationwide. 6.40 Nationwide on the Road. 7.10 Buzz Bunny.

F.T. CROSSWORD PUZZLE No. 3,036

by MICHAEL COVENEY

John's, Smith Square

BBC Singers

by DOMINIC GILL

George's Theatre to open

in April

alad Days' back in West End

BETTLES' MAT-MAKER

A member of the Midland Industries
Group of Companies

A Spanish Venus

by DENYS SUTTON, Editor of Apollo



Diego Velázquez: The Rokeby Venus

Greenwood

Sur le Fil by GARRY O'CONNOR

by GARRY O'CONNOR

"Divertissement à Versailles"

**Book Reviews are
on Page 15**

Round House, on May 2. Sylvio

"Divertissement à Versailles
and the "Guerre de 1870-1871"

English Bach Festival

**Natwest sponsor ECO
for New York**

The National Westminster Bank is to sponsor the English Chamber Orchestra in a series of nine Mozart festival concerts in New York City from April and May, designed as a British salute to the American bicentennial. The orchestra, in its most ambitious programme in New York so far, will be directed by Daniel Barenboim, who is to be the soloist in all the planned concertos. Isaac Stern will perform the violin concertos.

Fennimore and Gerda

short pauses, the duration of which is carefully noted by the composer to coincide with this performance. Boosey and Hawkes have issued a study score, price £8.50, which is an admirably clear reduction from the original manuscript. The Universal Edition full score of 1928, Fennimore and Gerda are both women, the successive losses of Niels Lyhne. The first nine scenes concern Fennimore and two of her consorts—Niels, who at that youthful stage is a poet, and Erik Refstrup, a painter. Fennimore and Erik are close friends as well as cousins. Fennimore is attracted to both, chooses Erik, but regrets it when he turns out to be better at drinking than at painting. She turns to Niels for consolation.

Meredith Davies, a most sensitive Orléans conductor, presided the Danish Radio Symphony Orchestra to play as if this music was their birthright. Miss Söderström sang both the girls' parts, achieving most fully what Fennimore's frantic wailing needs—she is not quite dried to a simple enough for the ballad is the first scene (anyone who had heard Dora Lubette sing this piece in the Grand Opéra, or British Soprano record, will know what is missing). A Gerda, Miss Söderström sounded radiant—youth, Robert Tear as Erik gave the most complete Cécilia Cray, Best of the Cécilia Cray, Best of the Cécilia Cray as Niels had the more lyrical music and made the utmost of it.

RONALD CRICHTON

Purcell Room

Ann-Marie Connors

Her voice, well-furnished, bright-toned and rock-steady, is already of considerable size, and flashes out most excitingly at the top of the scale. Her singing in the balanced programme made up chiefly of German and French songs, with a Mozart concertaria, "Misera, dove son!—Ah! non son io che parlo," to begin with, was decidedly brilliant. Miss Connors' voice, flowing freely, and the group of songs by Brahms that followed was smoothly phrased, though without any particular insight into their poetical content. Her recital had an appropriate serenity in its opening lines, while the words of "Die Mainacht" were floated on a rich stream of tone; "Von ewiger Liebe" she sang carefully if not deeply characteristically.

In songs from Poulenc's fascinating *La courte paille* Miss

Hindemith's settings of Rilke's *Das Marien-Leben* seemed more accessible interpretatively to Miss Connors than the Brahms songs had been. Her somewhat ranging melodic lines caused her no trouble. Her articulation of the German text was also better, particularly in "Argwohn," where the consonantal effects were decidedly more effective. The disruption of the shape of the text. The recital ended with some arrangements by Britten of traditional French folksongs, these included a couplet in English, "The little bird that sits on the ground," and "Ehoh! un" a warning to lambs not to stray for fear of the wolf. A encore Miss Connors sang another charming folksong, "French Canadian this time, the lyrics containing 'The expert pianist was Brian Lamport."

ELIZABETH FORBES

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NEXT TEN YEARS
ARE LIKE THE
LAST TEN YEARS,
YOU'LL BE GLAD
YOU TOOK OUT OUR
TEN PLUS PLAN.**


Ten Plus Plan from Sun Life Assurance
is a way of saving money over ten or more
years and providing life assurance with
the kind of flexibility essential in
these unpredictable times.

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Please send me details of the Sun Life Assurance Ten Plus Plan and a personal quotation. At the moment, I should like to save £.... monthly (minimum £4).

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Coup in Argentina seems imminent

ROBERT LINDLEY
The 6th Infantry Regiment, whose garrison is in San Nicolas 100 miles northeast of here, has been moved to the Army base at Tablada just outside Buenos Aires.
It is considered that Gen. Videla will be the new Chief of State. There are conflicting reports on what will be the fate of Peron. According to some, he will be arrested and sent to the Martin Garcia island in the River Plate estuary and under the jurisdiction of the Navy. According to others he will be flown to Madrid and exile. Meanwhile, the military left and right, now murdering indiscriminately. Killed 18 over the week-end. Last week, when 37 died as the result of the political violence, was the record week so far this year.
Since the Peronists assumed power the violence has claimed 1,803 dead, 445 of them terrorists, according to the security forces. The present rate of these killings in Argentina is one every five hours.
Renteria adds: Strikers paralysed Argentina's motor industry today, increasing social and political tensions which have started rumours of an imminent military coup. But Peronist Party deputy chairman Deolindo Bittel told a meeting in Northern Chaco Province yesterday: "A coup is definitely ruled out."
Newspapers reacted sceptically. One commented that preparations for a coup were now so advanced

Romanian payment allegation

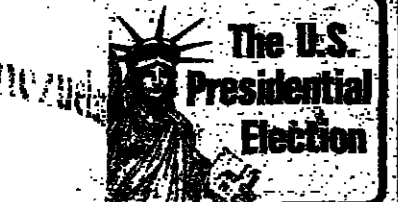
BUENOS AIRES, March 22
What appears to be a pay-off behind the Iron Curtain by a U.S. corporation has come to light in court papers filed by the U.S. Securities and Exchange Commission (SEC). AP-DJ reports from Washington. The corporation is General Refractories Company which, according to the court papers, also made dubious payments to a law firm in Greece. The Iron Curtain incident, as described by the SEC, involved \$250,000 paid by the Philadelphia-based fire brick producer to "a Romanian military officer." The allegations were disclosed in connection with an SEC suit against General Refractories.
The General Refractories payment was made following the arrest and detention in Romania, on charges of "industrial sabotage," of an employee of Austro-American Magnesite Company, a General Refractories subsidiary, headquartered in Radentheim, Austria.

Brazil's power game

BY HUGH O'SHAUGHNESSY
AFTER NEARLY a century of bickering and outright warfare, one of the oldest frontier disputes in the Western Hemisphere, involving Bolivia, Chile and Peru, is boiling up again. In Peruvian eyes at least the position of Brazil and the South American balance of power is at stake.
The dispute was born during the War of the Pacific which broke out in 1879 and during which the disciplined Chileans pushed northward up the coast to annex much of the Atacama desert and its rich resources of nitrate, at that time one of the world's principal sources of fertiliser.
The Chileans defeated Bolivia and Peru and seized territory which had hitherto belonged to them. The Peruvians suffered the ignominy of having a Chilean army in occupation of their capital Lima. The Bolivians suffered more than a blow to their pride: they lost their only access to the sea. Ever since they have shared with Paraguay, the distinction of being the only landlocked republics in America.
In theory the whole affair was finally laid to rest by a series of peace treaties and agreements, the last of which was signed in 1929. It drew the Chilean-Peruvian boundary between the towns of Tacna (Peru) and Arica (Chile), and gave each country the right of veto over cession by the other of the territories of Tacna and Arica to third parties. In practice the Peruvians continued to nurse their grievances.
Bolivia, easily the weakest member of the trio, has maintained the pathetic hope that one day it would get access to the Pacific again. Every unsuccessful Bolivian president — and Bolivia has had more than its fair share of presidential failures — has been able to blame the bad results of his administration and the country's poverty on the fact that Chile was keeping Bolivia from its rightful access to the ocean.
Bolivia maintains a navy — I have met its former admiral in the streets of La Paz — though its vessels patrol only Lake Titicaca, 12,000 feet up in the Andes or the steamy rivers of Bolivian Amazonia. Bolivia holds public flag days to collect funds for new vessels and not so long ago bought a freighter which shows the Bolivian ensign at foreign ports. The issue of the *salida al mar*, an exit to the sea, is at least as alive in La Paz as the siege of Derry is in Northern Ireland.
The dispute, far from healing over the years, became worse in 1963 when Bolivia severed diplomatic relations with Chile over the latter's use of the waters of the River Lauca on the border between the two countries and one of the few watercourses in the Atacama. Things unfroze slightly in 1970 when both countries had Leftwing Governments under General Torres in La Paz and Dr. Salvador Allende in Santiago. In 1971 they froze up

river drops it of race

Our Own Correspondent
WASHINGTON, March 22. ARGENT SERIVER to-day in the latest Democratic race. He too, immediately to endorse



has been clear for some time that the Shriver candidacy is doomed. Poor finishes in Hampshire and Massachusetts, his home ground, were followed by a disastrous third week in Illinois. He said Tuesday night that he was resigning as a candidate and that he made his withdrawal from the North Carolina primary on Wednesday. On the other hand, the Chilean side runs true, there may be further pressure for another withdrawal, time on Governor Ronald Reagan, President Ford's challenger. North Carolina, like Florida, a state where two months ago Mr. Reagan was thought to lead, but the momentum President has acquired in the past few days has changed the odds. or the record the Reagan is getting to be more than a mere footnote. That more fertile ground lies in Texas on May 1 and in Florida on June 5.

Kissinger warns Cuba on Rhodesian intervention

WASHINGTON, March 22
DR. HENRY KISSINGER to-day explicitly warned Cuba not to intervene in the Rhodesian situation. In a speech in Dallas, Texas, the Secretary of State said: "We have issued these warnings before. I repeat them for special mention but also contains a long defence of the first SALT agreement with the Soviet Union and a passionate exposition of the need for a new one. Additionally, he issued what must be seen as a thinly veiled warning to the Government of Mozambique not to be tempted to take up Cuban offers of assistance. "Let no one believe that American support can be bought by the threat of Cuban troops or Soviet arms," he said. "Our co-operation is not available to those who rely on Cuban troops."
These remarks immediately followed Dr. Kissinger's endorsement of the latest British initiative to resolve the Rhodesian impasse. The Secretary of State said: "The United States has made clear its strong support for majority rule and minority rights in southern Africa."

Burns alert to Congress

WASHINGTON, March 22
DR. ARTHUR BURNS to-day warned Congress not to listen to "well-meaning citizens" who urge it to stimulate the economy further in order to reduce the number of people out of work.
Such stimulus, he said, would inevitably require still larger federal deficits and these in turn would force the Treasury to rely more heavily on credit markets "thus drawing on funds badly needed for homebuilding and for business capital formation." Worse still, he went on, this would revive fears of inflation, sap consumer and business confidence and undermine the current welcome economic recovery.
At the same time Dr. Burns noted that the Fed's monetary policies had not led to a sharp rise in interest rates and said that "there is a striking contrast between the movement of interest rates during the current recovery and their behaviour in past cyclical upswings." He said that the Fed's reliance on a sharp rise in the turnover of money balances had been justified by events and that conditions on the financial markets "are more comfortable than at any time in the past two years."
However he noted that it was important to be sure that the "rate of monetary expansion does not slow too much or for too long" and pointed to the recent easing of the discount rate and the reserve requirements as evidence that the Fed is not unaware of the need to provide enough money to finance the upswing.

Geisel boycott likely

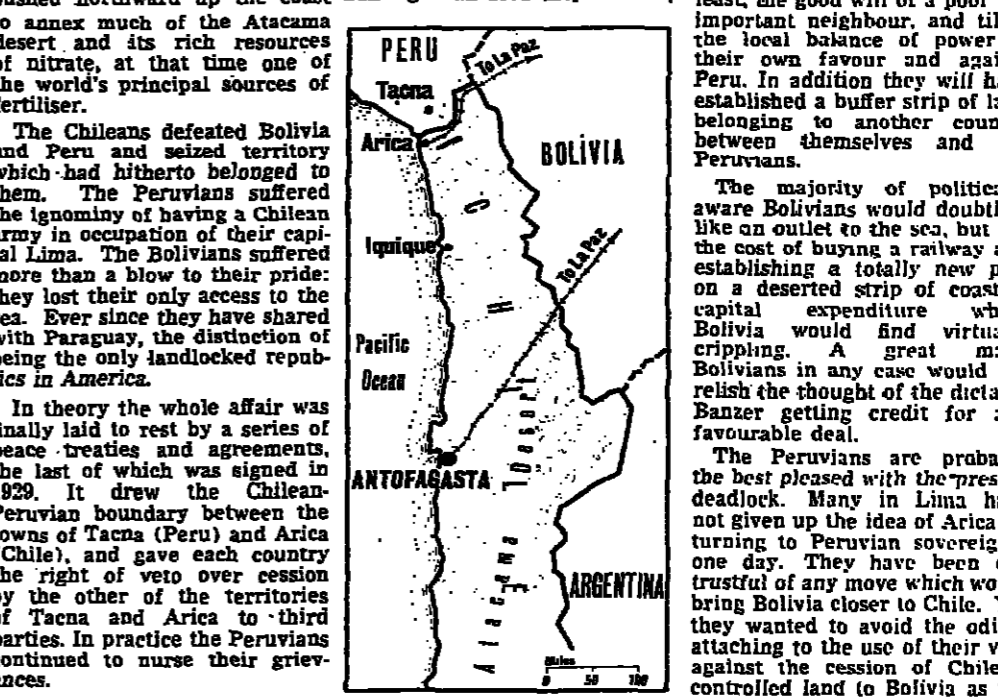
A complete boycott by the Labour Party of the forthcoming state visit to Britain by Generalissimo Geisel, the Brazilian President, is likely to be recommended by the Party's national executive committee which meets in London to-morrow, Hugh O'Shaughnessy writes.

'No frills' deal ends

National Airlines, America's third international carrier, yesterday confirmed that it will be quietly ending its controversial "no frills" ticket price discount programme as from the end of next month, writes Jay Palmer in New York. Although National's motives in ending the programme almost certainly stem from its own financial difficulties in the wake of its long strike last autumn, many argue that the decision heralds a new move by the industry as a whole away from fare discounting promotions.

Nixon report

Former President Richard Nixon's report on his visit to China was given to Secretary of State Henry Kissinger last Monday and President Ford on Tuesday, Press Secretary Ron Nessen disclosed in Washington yesterday, AP-DJ reports. Mr. Nessen said that he did not know about the arrival of the report at the time because the National Security Council staff and the NSC Director Brent Scowcroft kept it secret from him. Both copies of the 40-page report were returned to Mr. Nixon at his request. Mr. Nessen said that it "did not contain any startling new information." He made it clear that he felt that his credibility had been damaged by the failure of White House aides to tell him what Mr. Nixon had submitted the report.



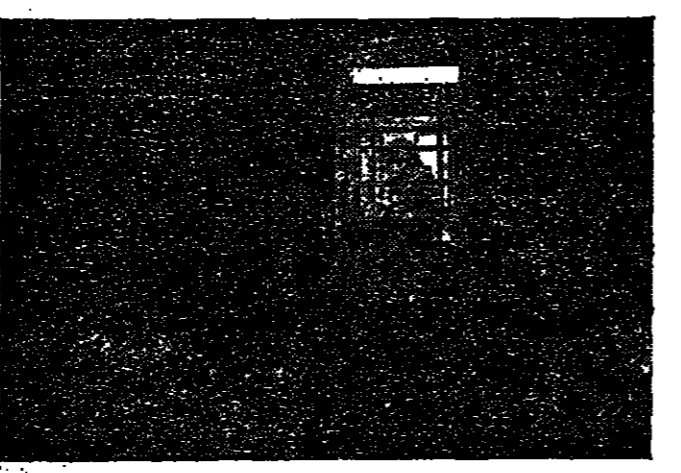
again when General Hugo Banzer, an extreme conservative, toppled General Torres. When General Augusto Pinochet ousted Dr. Allende in 1973 the two countries were in phase again and in 1975 Generals Pinochet and Banzer agreed to resume diplomatic relations.
In a surprise move in December General Pinochet offered Bolivia a form of modified sovereignty over a strip of land a few miles wide on the Chilean side of the Chilean-Peruvian border, reaching to the Pacific from the point where the Pacific from the point where the three countries' territories meet. It would include the greater part of the La Paz-Arica railway which the Bolivians would buy. Bolivia would undertake to keep the strip demilitarised and would cede to Chile inter alia a portion of its territory equal to the area of the strip and of the territorial waters which Bolivia would acquire.
General Banzer rejected the offer this month, perhaps because of a feeling within his country that the deal was not generous enough, and in an attempt to get better terms. The countries involved are therefore left with their original hopes and fears. Chile does not know whether General Banzer will eventually settle on some better terms for him. If he does, the Chilean authorities will be able to complete themselves upon having achieved, for the moment at least, the good will of a poor but important neighbour, and tilted the local balance of power in their own favour and against Peru. In addition they will have established a buffer strip of land belonging to another country between themselves and the Peruvians.
The majority of politically aware Bolivians would doubtless like an outlet to the sea, but not the cost of buying a railway and establishing a totally new port on a deserted strip of coast, a capital expenditure which Bolivia would find virtually crippling. A great many Bolivians in any case would not relish the thought of the dictator Banzer getting credit for any favourable deal.
The Peruvians are probably the best pleased with the present deadlock. Many in Lima have not given up the idea of Arica returning to Peruvian sovereignty one day. They have been distrustful of any move which would bring Bolivia closer to Chile. Yet they wanted to avoid the odium attaching to the use of their veto against the cession of Chilean-controlled land to Bolivia as the 1929 treaty gave them.
They have seen the Chilean offer as a move concerted between Chile, the U.S. Defence Department and Brazil. In times past Brazil and Argentina contended for influence in La Paz, but now with Brazil increasingly important economically, and the influence of an ever more chaotic Argentina declining, the Peruvians see Bolivia becoming a colony of Brazil in all but name. The Chilean offer to Bolivia is seen in Lima as tantamount to offering Brazil an outlet to the Pacific Ocean, strengthening Brazil once again at the expense of the smaller republics of South America. The Peruvians point to a whole series of territorial moves which Brazil has made during its history which have increased its territorial area at the expense of its neighbours and they do not want yet another one, however well camouflaged.

WHAT IS FORD DOING IN THE UNDIGNIFIED SCRAMBLE TO SELL YOU A TRUCK?

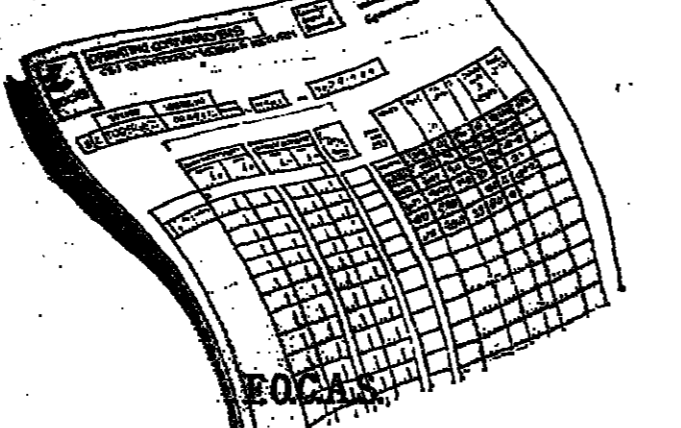
You may have noticed how truck manufacturers have been rushing to offer better and better warranties.
We believe good warranties are essential to offer an excellent warranty ourselves.
But they have little to do with the day-to-day running of a truck business.
Which is why, at Ford, we're offering more useful day-to-day support services than anyone else.



141 TRUCK SPECIALIST DEALERS (TSDs).
It costs a TSD anything upwards of £400,000 to build up his dealership to the acting standards we set.
He has to maintain a small fortune in spare parts alone. (Anything from £50,000 to £100,000).
He has to invest in the training of both technicians and his salesmen.
All are Ford trained of course. Technicians at our Service Training College, salesmen at the Ford Marketing Institute.
He has to invest in the best equipment. TSD workshops contain enough diagnostic equipment to turn your head.



24 HOUR RECOVERY SERVICE.
If you're operating round the clock, you need a dealer network that does the same.
Every Ford TSD is duty bound to provide a 24 hour recovery service.
How can we be sure they do? We're sneaky. We check. We've even been known to carry out spot checks over Christmas.

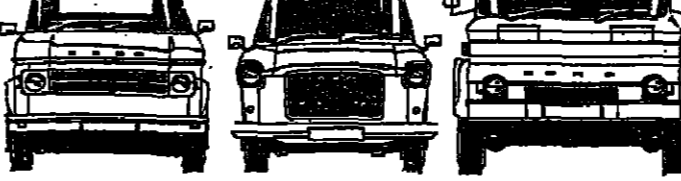


F.O.C.A.S. stands for Ford Operating Cost Analysis System.
Week by week, you record costs on a standard form. Then, quarterly, we send you a detailed computer summary that tells you where you stand.

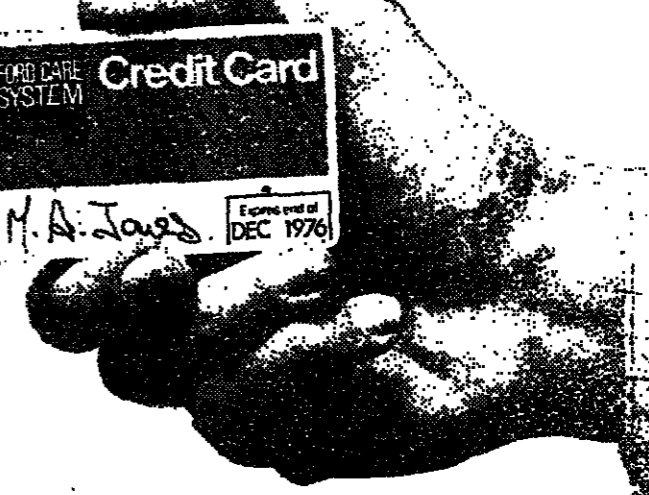
It will tell you how your operation compares with the average of other firms running similar fleets.
It will help you pinpoint exactly areas of high expense.
We are the only truck manufacturer to operate a scheme like this and, naturally, we charge for it.
But for something that can make your business more profitable, you'll find it's a small price to pay.



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One of your drivers breaks down a long way from base. And he's got no money.
With a Ford Care Credit Card, there's no problem. Most TSDs will accept the card as payment.

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EUROPEAN NEWS

Bundesbank liquidity fears
after support operations

BY NICHOLAS COLCHESTER

BONN, March 22.

THE WEST GERMAN Bundesbank's efforts to support the French franc and other currencies during the currency unrest of recent weeks has put DMBN of new liquidity into the West German banking system. The Bundesbank is now considering whether to remove part of this cash injection — caused by foreign exchange purchases of the same order — by raising its reserve requirements.

This quantity of money is equivalent to more than one-tenth of the Bundesbank's current gold and currency reserves, or one-fifth of the German banking systems deposits with the Bundesbank at the end of January, and is equal to the entire Bundesbank lending to the German banking system on the same date.

It thus has a potentially important impact on the development of the German money supply. Whether it does so depends on the development of West German loan demand and the resulting use of the money.

The new liquidity that has been made available to the economy is picking up faster than any forecast. I have



always been an optimist and I was never able to forecast such a quick upturn. It is therefore possible that the Bundesbank which is intent on preserving an 8 per cent. growth in central bank money stock for 1976 as a whole, may feel that some of the slack needs to be taken out of the monetary rein.

That the rein is slack was emphasised to-day by a renewed fall in West German savings rates. The major German banks indicated to-day that they would soon lower their savings rate by half a per cent. to 3.5 per cent.

The decision, broadly expected, was triggered by the news that the Government was lowering the interest rate on Federal Treasury bills by the same amount from the beginning of April. The new rates now range from 3.75 per cent. for one year up to 8.5 per cent. for six years.

The current expectation in the banking industry is that interest rates will continue to decline for some time. Herr Franz Heinrich Ulrich, the chief executive of the Deutsche Bank, said just before the weekend that the upturn in rates would come in the late summer.

Lira stages a further recovery

BY DOMINICK J. COYLE

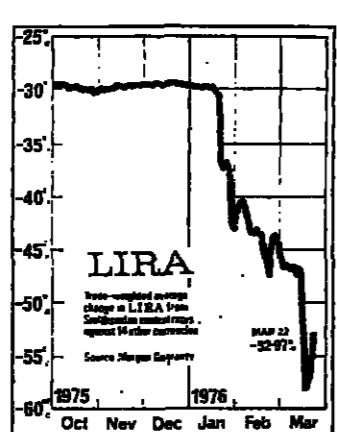
ROME, March 22.

THE ITALIAN lira staged a further recovery to-day and was again against the dollar at \$54, a relatively sharp improvement over last Thursday's rate of \$53 in a market described by dealers as being "generally thin."

Today's recovery was seen here as reflecting conditions in other European markets and in New York on Friday, when the Italian market was closed for a public holiday and when the lira gained some support on the strength of the Government's austerity package.

However, banking sources here suggested to-day that the Government's emergency measures, including a four per cent. rise in the discount rate to 12 per cent., appeared to be carrying much more conviction elsewhere in Europe than in Italy itself where political uncertainty continues as a dominant issue in the money market.

The fixing against the dollar to-day compares with the record low of \$58 on Wednesday of last



week. However, it still represents an effective 24.3 per cent. devaluation since January 20, when the Italian market was closed for six weeks during which the Government announced a number of piecemeal measures to halt the run on the currency.

The crisis package announced on Wednesday followed open

talks between Prime Minister Aldo Moro and the Secretary of the Italian Communist Party (PCI), and with other party leaders, but it now appears that Sig. Moro did not disclose to the PCI leader the intention to jump the discount rate.

With the political uncertainty continuing here, it seems that the lira can only be defended by a tight credit squeeze and exceptionally high interest rates, emergency measures which of course run directly counter to the need for increased productive investment, a point reiterated over the weekend by both trade union and employer bodies.

The commercial banks' prime rate is now at 18 per cent., compared with 15 per cent. a few days ago. This means that many small industries will have to pay as much as 25 per cent. and more on short-term borrowings. This is certainly not the climate to encourage new investment to exploit the economic upturn emerging elsewhere in Europe and in the U.S.

Italian monetary and credit policy is now being exploited to the full in the defence of the lira, but the present minority Government of Sig. Moro, the Christian Democrats, appears increasingly unstable as when it was formed less than six weeks ago. What is more, the party's congress over the weekend did little to dispel the uncertainty, or to suggest that the Christian Democrats are about to have a major internal renewal.

Forlani opposes concessions to Left

BY ANTHONY ROBINSON

THE STRUGGLE for the soul of the Christian Democrat Party came to a head to-day with a fighting speech by former Party Secretary Arnaldo Forlani who strongly opposed any form of concessions to the Communist Party and encouraged an enthusiastic Congress with his call for the Party to fight for its independence and the maintenance of its role as the central point of Italian democracy.

In a speech interpreted here as a challenge for the post of Party Secretary, currently held by Sig. Benigno Zaccagnini, Sig. Forlani told his audience to look beyond the borders of Italy to the growing strength of the Christian Democrat parties in Germany and elsewhere in Europe.

"The CD must rid itself of its doubts, uncertainties and complexes and re-assert itself in the political arena," he added to prolonged applause.

"If we continue to seek new formulae we risk moving the centre of political gravity in an increasingly leftward direction until we end up in fusion, or rather confusion, with the totalitarian hegemony of the Communist Party," he added. He made it clear that he had little faith in the conversion to democracy and pluralism of the PCI and added "It is realistic to imagine that the Soviet Union expects certain advantages from a Communist presence in government in Italy."

By proposing this clearly anti-Communist line, Sig. Forlani contrasted with the "constructive" line espoused by the Prime Minister Moro and Party Secretary Zaccagnini. But he went further by criticising the failure of all attempts to re-associate the Socialist Party in Government alliance. He recalled that the removal of Sig. Amintore Fanfani from the Party Secretaryship last July was intended as a means of removing a major obstacle to closer relations with the Socialists.

But he pointed out that the Prime Minister Andreotti, won which Sig. Zaccagnini is the Socialist has never been so

hostile to the idea of co-operation with the Christian Democrats as electoral current appears they are now. The answer was for moving strongly against the CD to stick to its democratic principles, keep its distance from but under new leadership, the Communist and restore its strength and bargaining position on this basis.

He added that the Party must leadership is expected to go into opposition, but he will depend largely on the decline of the Social Party in Government alliance. He recalled that the removal of Sig. Amintore Fanfani from the Party Secretaryship last July was intended as a means of removing a major obstacle to closer relations with the Socialists.

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Genscher warning against Communists

BY ADRIAN DICKS

BONN, March 22.

HERR HANS-Dietrich Genscher, the West German Foreign Minister and Free Democratic Party leader, delivered a strong warning to-day against allowing the Communists to join either the French or Italian Governments, and called for a joint approach to foreign policy by the three major West German parties.

Herr Genscher's blunt reference to a "red popular front in France" and a "black popular front in Italy" came as a strong contrast to the recent public attitude of West German Chancellor Helmut Schmidt. After coming in for some criticism for his anti-Communist line during the elections in January, Herr Schmidt has declined further comment.

The tone of Herr Genscher's remarks seems certain to encourage speculation here that his party is still actively considering whether to end its eight-year-old coalition with the Social Democrats in favour of a new

alliance with the Christian Democrats after next October's elections. He went out of his way to praise the CDU by referring once more to the unanimity achieved during the approval of the Polish treaties 10 days ago.

This, Herr Genscher said in an article in the mass-circulation Bild-Zeitung, was proof that there could be no alternative to "realistic détente policy." Yet his remarks on the Communists' possible future role in France and Italy, together with his party's seeming interest in a harder line towards East Germany, appear designed to appeal far more to the CDU than to the present SPD coalition partners.

There have been signs in the past few days of a deepening difference between the two parties over relations with East Germany. In speeches over the week-end Herr Schmidt and other SPD leaders admitted that last week's row over the exclusion of West German journalists from the Leipzig Fair had caused a setback

W. German car sales up

BY GUY HAWTIN

FRANKFURT, March 22.

WEST GERMAN domestic demand for cars and estate vehicles continued high in February although there was the normal seasonal downturn compared with the January figures. Home demand for commercial vehicles also picked up after the post-slump in the previous month.

Foreign orders for commercial vehicles went back slightly according to statistics just released by the Verband der Automobilindustrie (VDA), the motor industry association. However, both output and exports are well ahead of the extraordinary low levels of February 1976. Private and estate car output last month totalled 302,300—some 53

per cent. more than in February, 1976—while commercial vehicle production at 28,600 units was 18 per cent. ahead. Exports, which accounted for 50 per cent. rose by 43 per cent. in the case of cars to 147,000 units. Commercial vehicle exports went up 11 per cent. on the February total to 18,100 units.

Meanwhile a full breakdown of the January figures showed overall output for that month 46.6 per cent. up on the same month as 1974 and 21.8 per cent. ahead of the December level. Some 306,020 vehicles of all kinds were manufactured last month, compared with 281,370 in December and 208,664 in January last month totalled 302,300—some 53

EAST GERMANY'S ECONOMY

The price of solidarity

BY DAVID LASCELLES RECENTLY IN EAST BERLIN

WHEN Mr. Leonid Brezhnev told the Soviet Communist Party Congress that one of Comcon's main tasks during the next five years was to narrow the gap between members' levels of development, he clearly had more than half an eye on East Germany. Already the most industrialised and prosperous country in the Soviet bloc, it was still drawing ahead of others at the end of last year and shows little sign of slowing down.

The "other" German economic miracle is due to much the same reasons as West Germany's: thoroughness, long industrial traditions, and closeness to Europe's most dynamic markets. But there were political reasons too. The Party leader, Herr Erich Honecker, and Herr Walter Ulbricht before him needed to close the gap between East and West to encourage would-be defectors to stay.

But the gap between the GDR and the rest of Comcon has begun to pose problems, especially vis à vis the Soviet Union. The gap is not just embarrassing in a grouping whose motto is mutual assistance. It also leads to strains similar to those causing exchange rate adjustments in the west. In practical terms it means that Poles swarm over the border and pick the department stores clean, to the anger of the local East German population.

According to the German Institute for Economic Research (Ifo), the Soviet economy must grow at over 6 per cent. a year and the GDR at no more than 5 per cent. just to stop the gap widening further. (The difference is mainly due to the GDR's tiny population growth.)

The Soviet Union must not on a big spurt from the 4 per cent. achieved last year, which looks unlikely — or the GDR must be held back.

But would Herr Honecker agree to more of the GDR's wealth being creamed off in the interests of economic solidarity, especially since his Westpolitik demands fast growth of living standards? Judging by the new Five Year Plans, the answer is no. National income in the Soviet Union will rise 4.5 per cent. a year, and in the GDR by 5.5 per cent. a year. But closer examination of the GDR's plans suggests that some levelling will take place, more because of the natural world market changes than deliberate Comcon policy.

The realignment of prices in

Comcon has dealt a heavy blow to GDR terms of trade. No new investments since 1968 have been published in East Berlin, but these figures are based on the gap between members' levels of development, he clearly had more than half an eye on East Germany. Already the most industrialised and prosperous country in the Soviet bloc, it was still drawing ahead of others at the end of last year and shows little sign of slowing down.

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The realignment of prices in

THE RICH AND THE POOR IN COMCON	
National Product per head (1970 in roubles)	Consumption per head (1970 in roubles)
GDR	1,965
Czechoslovakia	1,882
Hungary	1,757
Bulgaria	1,588
Poland	1,280
Romania	1,374
USSR	1,240

(The figures are converted into roubles and Marks respectively on the strength of Comcon exchange rates applied to commercial transactions. Since Comcon's exchange rate manipulated no attempt has been made to convert into the main import of the figures is the order of affluence dis-

Source: Deutsches Institut für Wirtschaftsforschung.

ton for oil (including 2 roubles come from better use of

pipelines) which is much

higher than the 30 roubles paid

by Hungary and Czechoslovakia.

is an economies.

The population is not to be in

order to save costly

imports. But farmers

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the GDR's imports, while

reached alarming levels.

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do not feel the pinch too.

Wages will rise by 22

exactly in line with the

of consumer goods.

party has pledged that

will remain fixed as the

for the last 20 years.

last, wages rose 27 per

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OVERSEAS NEWS

Israel takes up UN seat despite presence of PLO

OUR OWN CORRESPONDENT

THIS FIRST time since the UN General Assembly voted to accord virtually the status of a state to the Palestine Liberation Organisation (PLO) on 29 November, the PLO has taken up its seat at the UN. The PLO delegation, led by Yassir Arafat, arrived in Geneva on Monday and took up its seat at the UN General Assembly on Tuesday. The PLO delegation, which includes Arafat, was welcomed by the UN Secretary-General, Kurt Waldheim, and the UN President, Waldheim, who said that the PLO's presence at the UN was a "historic moment".

The PLO's presence at the UN has caused a major crisis in the Arab world. The Arab League, which has been a major supporter of the PLO, has been divided over the issue. The Arab League's Executive Committee, which meets in Cairo, has been unable to reach a decision on whether to support the PLO's presence at the UN. The Arab League's Executive Committee has been divided into two camps: one which supports the PLO's presence at the UN, and another which opposes it.

The PLO's presence at the UN has also caused a major crisis in the Israeli-Palestinian conflict. The Israeli government, which has been a major opponent of the PLO, has been divided over the issue. The Israeli government's cabinet, which meets in Jerusalem, has been unable to reach a decision on whether to support the PLO's presence at the UN. The Israeli government's cabinet has been divided into two camps: one which supports the PLO's presence at the UN, and another which opposes it.

West Bank tension continues

HEBRON, March 22.

ISRAELI troops again clashed violently with students here today as tension continued over a Jewish settlement outside the occupied Arab town on the West Bank of Jordan.

In Jerusalem sources at the Hadassah hospital said that an 11-year-old boy shot in the head during a demonstration last Wednesday died today.

The boy, Ali Hussein Afana, will probably be buried at his home village of Abu Dias tomorrow, and police sources said that security forces would be on special watch to prevent disturbances during the funeral. An Israeli soldier has been detained and is to be charged with shooting the boy.

In Hebron, the 71-year-old Mayor, Sheikh Mohammed Ali Jaabari, said that he was withdrawing his resignation at the request of Defence Minister Shimon Peres. He was the ninth Arab mayor to have resigned after recent clashes between Israeli security forces and students in the area.

L. Daniel adds from Tel Aviv: At a large gathering of notables of the town and the surrounding district, the mayor called for restraint to prevent unnecessary suffering. At the same time, Sheikh Jaabari, who has been in office for 40 years, said he would not stand for re-election next month.

UNITED NATIONS, March 22.

There was another argument over the status of the PLO at the UN today. The PLO's representative, Yassir Arafat, argued that the PLO was a "state" and should be given the status of a state at the UN.

Mr. Daniel Moynihan made similar objections in December and January when he was the U.S. delegate. They were overruled then, and again today, when Mr. Arafat cast the only negative vote. As the matter was procedural, this did not count as a veto.

Britain, France and Italy abstained. The other members, including Sweden and Japan, voted in favour of special status for the PLO.

Addressing the Council, Mr. Terzi said that the court ruling which precipitated the violence constituted a violation of Jewish religious law, international law, and the UN Charter.

Mr. Terzi said that the court ruling which precipitated the violence constituted a violation of Jewish religious law, international law, and the UN Charter. He said that the court ruling was "unjust" and "unlawful".

Major airlines meet to negotiate on Japan-U.S. routes

BY CHARLES SMITH, FAR EAST EDITOR, TOKYO, March 22.

IT APPEARS to have been unprecedented summit meeting between the heads of three of the world's major airlines as they met in a Tokyo hotel this afternoon in an attempt to produce a new trans-Pacific route between Japan and the U.S. after a year of bitter negotiations.

The Japanese, who present themselves as the first people to realise the folly of unlimited fare cutting, have expressed particular concern recently about the position of North-West Orient, which is not a member of the International Air Transport Association and thus not bound by IATA rules on fares.

To-day's summit meeting was proposed early in March by Mr. Asada and agreed to by the U.S. Government after the U.S. Government had been asked to rule that the meeting would not constitute a breach of American antitrust law. The purpose of the meeting has been officially described as to agree on proposals for "clean and orderly" fare cutting in the Pacific region.

It follows a meeting between sales executives of the three airlines last week at which minimum levels were fixed for group fares from Japan to the U.S.

Japan may press for an agreement on limiting airline capacity across the Pacific at a meeting due to be held later this year between the Japan Civil Aviation Board and its U.S. opposite number.

JAL feature, Page 22

Algerian oil team advises Angola on negotiations

Y. JANE BERGEROL

LUANDA, March 22.

TOP-RANKING team of Algerian oil experts, led by the man and managing director of Sonatrach, the Algerian national oil company, Mr. Mohamed Ghazali, has been in Luanda talking with the Government about its oil problems.

Ghazali, who has headed Algerian company since its start in 1969 and recently well equipped to advise Government here on the terms of starting a national oil company, has promised that he will make all its expertise available to the Angolan regime.

He is likely to take part in the forthcoming negotiations with oil majors, and probably also in the continuing talks with Gulf Oil over resumption of its Cabinda operations, also of trading oil products, technicians in Sonatrach's oil fields in Algeria.

Australia upturn forecast

CANBERRA, March 22.

Survey of Australian manufacturers predicts a recovery in output in the next three months, in contrast to the first quarter's decline. The survey, conducted by the latest Chambers of Manufactures of Australia and the of New South Wales, shows a sharp upturn in output and orders, under-employment of 10% and a decline in employment in the past three months.

The survey also shows a marked improvement in output, new orders and employment in the quarter. It is the first time since 1974 that a majority of firms surveyed expected a "significant improvement" in these indicators.

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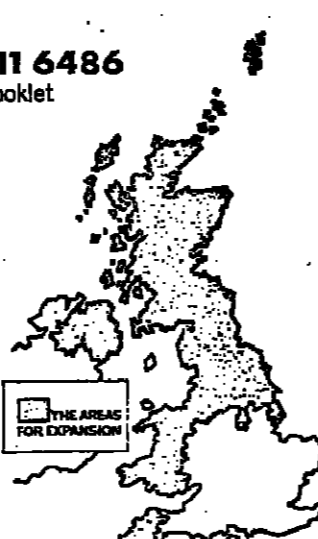
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jobs there are loans on favourable terms or interest relief grants. Altogether the Areas for Expansion offer a very wide range of practical financial help, both for firms expanding within the Areas and firms moving into an Area. There are also grants towards removal costs.

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North West, Manchester, tel: 061-336 2171

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East Midlands, Tel: Nottingham 46121 (STD code 0602)

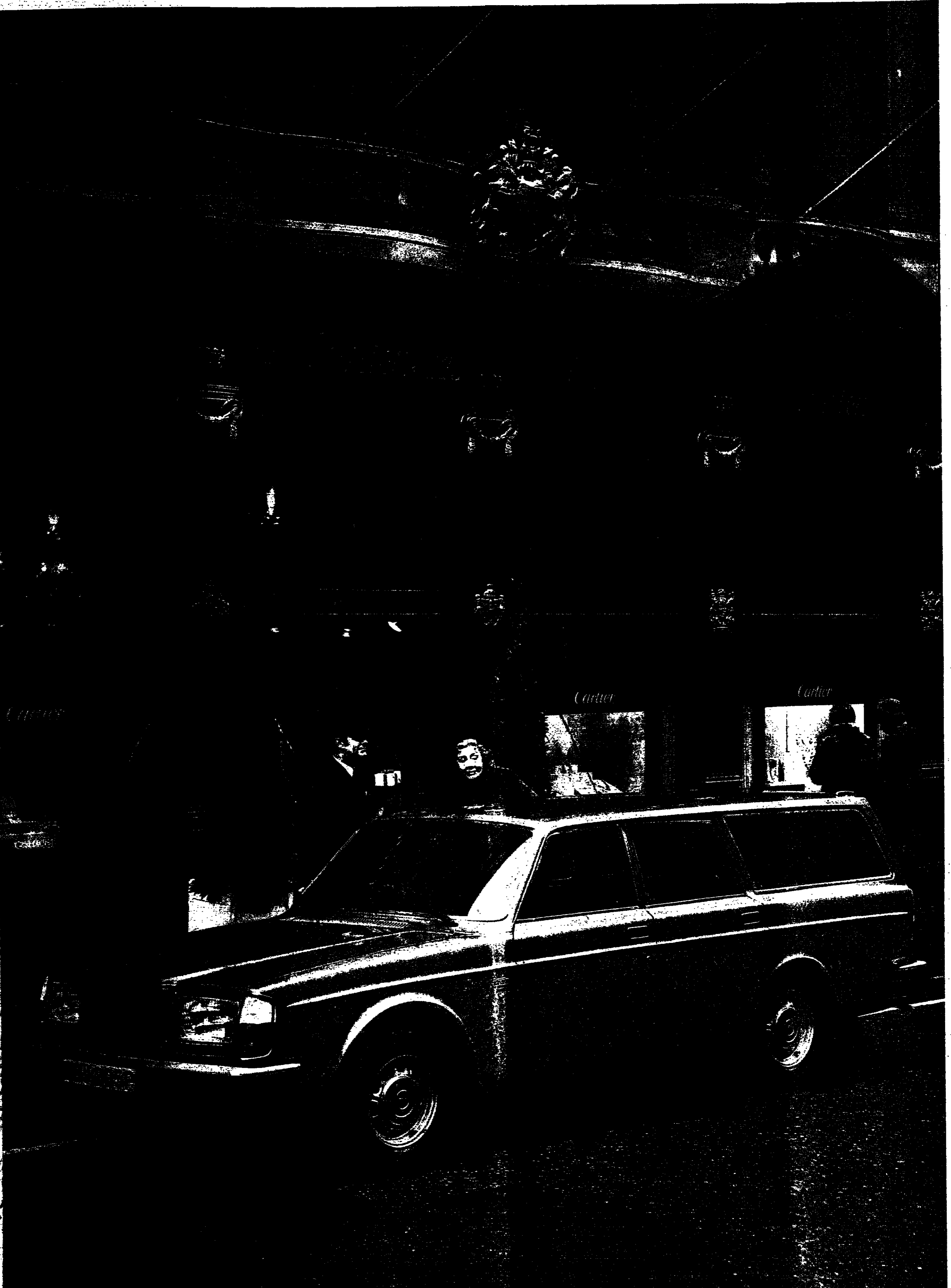
West Midlands, Birmingham, tel: 021-632 4111

South West, Tel: Plymouth 21891 (STD code 0752) or Bristol 291071 (STD code 0272)

London & South East, London, tel: 01-603 2060 Ext. 221

Eastern Region, London, tel: 01-603 2070 Ext. 359/360

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Some awkward questions our competitors would like us to answer.

Q You've made a lot of claims about the relatively small amount of capital investment needed to re-equip a foundry with cupola plant. Do you have the figures to back up those claims?

Q The problems of wet, dirty or oily scrap are well-known to the foundry industry. Why should your fuel be able to cope with them any better than any other fuel?

Q Is foundry coke really the most efficient form of fuel?

Q The coal-mining industry isn't the most stable industry in this country. To put it bluntly, can you guarantee supplies?

And the answers they didn't expect us to give in public.

A The facts are simple. To install a cold blast cupola costs about £5 per ton of annual melting capacity as against £15 for other melting systems. In these days when capital is scarce it's worth bearing these figures in mind.

A Coke-fired cupolas can accept a wider range of scrap than any other foundry melting plant. In fact, many other systems cannot accept oily, contaminated or wet scrap without costly treatment because of the dangers of explosion when charging. And of course, foundry coke plays an important function in the furnace that other fuels cannot do. During the melting process the metal and coke are in direct contact and the carbon provided by the coke contributes to the final composition of the molten metal.

A Certainly some other systems use energy more efficiently. But only when they have a constant work load over an extended period to offset the possible maximum demand charges imposed with other fuels. With today's uncertain economic climate, it's very unlikely that anyone can guarantee such a steady supply of work.

A To answer bluntly, no industry connected with energy supply can ever be completely stable again. Looked at in this context, foundry coke is a safe form of energy. Because you can build reserves. Because Britain has enough coal for foundry coke-making to last far into the future and most importantly, because, by agreement with the Council of Iron Foundry Associations, adequate stocks of foundry coke are maintained at the ovens, so foundry coke represents "energy stock".

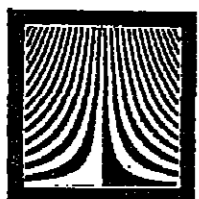
Additionally, National Smokeless Fuels are pioneering new coke making techniques, thus guaranteeing the availability of good quality foundry coke when traditional coking coals are less readily available.

If you have any questions you'd like answered about foundry coke, contact Mr. J. D. Hill, National Smokeless Fuels Ltd., Coal House, Lyon Road, Harrow, Middlesex HA1 2EX (Tel. 01-427 9001).

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The Hidden Power Behind Britain's Industry.



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

PLASTICS

World's largest injection moulding

MASS PRODUCTION of the Topper, a 3.4 metre high-performance sailing dinghy, is the first application of a technique for producing the largest injection mouldings in the world. Hull and deck are made from Propathene, ICI's polypropylene.

Backed by the National Research Development Corporation, which provided 50 per cent. of the cost, of mould designs and the development of production techniques for the dinghy, the method was developed, by Rolinx, Manchester (an ICI subsidiary), using twinned GKN Windsor machines. J. V. Dunhill Boats, Liskeard, which will be marketing the Topper, also contributed to mould costs.

ICI says the development establishes a new technological lead for the U.K., and is seen as an important step towards the production of other large plastic mouldings, such as car bodies.

Delivery times (1½ to 2 years) ruled out steel as a mould material and Kirshte—a zinc-based alloy with small proportions of copper and aluminium—was chosen instead. Two 3.4 metre moulds were required from which the products would mate to within 0.020 inch.

Press Patterns, Nuneaton, made the models and Albany Jig and Tool, Walsall, made the castings, with Shrewsbury Tool and Die machining the castings and fitting them into the reinforcing steel bolsters. Advanced techniques were used for incorporating cooling water pipes into the Kirshte mould and producing textured surface finishes. The all up weight of the hull and deck tool used for the Topper is 60 tonnes, and with care the tool will last indefinitely.

Overall dimensions of both the deck and hull tools is similar at 4 x 1.5 x 0.8 metre with each half virtually identical. It takes about two days to instal each tool.

A predominantly two-dimensional structure was chosen as compatible with Rolinx's Constant Volume Injection technique. Basically the volume of plastic injected is ultimately fixed by an adjustable mechanical stop that determines the travel of the injection piston. Two dimensional component thickness can be varied, without retooling, by shimming apart the moulds.

Successful moulding relies on careful monitoring of the injection velocity to prevent the injected plastic pushing the moulds apart unevenly. The electronic injection speed control unit used has been developed in conjunction with Eurotherm and is now being marketed in its own right.

The twin GKN Windsor 1600 machines made to Rolinx specifications not only advance moulding technology but also conserve energy. An average large moulding machine has an overall efficiency of 12-13 per cent. These



Directly behind the second operator carrying a hull moulding is the Kirshte zinc-alloy mould, development of which has largely made the venture possible.

machines incorporate gas oil accumulators to store energy and help raise overall efficiency to 25-30 per cent. Another novel feature is the use of continuously feeding extruders with vented barrels, permitting the moulding of exotic materials with any volatiles freely expelled.

Two injection units are mounted in line with two 1600 unit combination. The shot capacities of these units are 30 lbs and 20 lbs of polypropylene

COMMUNICATIONS

Broadcast stations in all sizes

WITH the intention of cutting costs both within its own organisation and for the customer, Pye TVE is now offering its broadcast stations in a "packaged" form ranging from a small trans-

portable to a major national system, in five basic configurations.

Each package includes every item needed to put the station on the air, embracing not just the RF and audio equipment but the complete buildings, masts, etc., in the form of architectural designs, civil works, power and services supply.

A standardised approach has been taken in the design of station buildings and studio desk layout so as to ease familiarisation and training for operators, minimise spares hold-

ings, simplify operation and ensure best value for money for the broadcaster.

In overseas electronic systems tendering the ratio of tenders made to jobs awarded is acknowledged to be in the 15:1 region and for each tender the "wheel" is frequently re-

invented. Pye, in particular, hopes to avoid this by making a more standard offering and believes that the resulting system cost to customers will be about 15 per cent. less than under its previous regime.

POLLUTION

Less toxic hydrocarbon solvents

WORLD-WIDE legislation reducing the permitted levels of the toxic and polluting content of solvents has led Carless Solvents, Harwich, to develop a range of paraffinic hydrocarbons with low aromatic, olefin and sulphur content.

Called Chlorols, the solvents are claimed to have improved solvent characteristics compared with traditional aliphatic hydrocarbons and to be less toxic.

Flash point of the range varies from -10 to -160°C, and the pour-point value (solventy) varies (TLV) that is, permitted from 25 to 25. The threshold limit ppm in atmosphere, is 450 for the three most volatile formulations and 500 for the remaining four. The relative volatility requirement deduced as the amount of ventilation re-

quired to keep the solvent vapour concentration at or below the TLV varies from 2.1 to 0.01.

To comply with the stringent requirements of the Los Angeles City Authorities Rule 68, and both U.K. and U.S. Food and Drugs Regulations, the solvents contain insignificant amounts of photochemically reactive compounds and therefore would not contribute to the production of a photochemical smog.

The company, which is a subsidiary of Carless Capel and Leonard, Petrol House, Hepscoot Road, Hackney Wick, London E8 3HD (01-855 5500), has initial orders for 2,000 tons of the solvents, and one of the first applications is likely to be in an insecticide aerosol intended for the Middle and Far East. It expects to be making about 20,000 tons a year in five years time.

The product is slightly more expensive than conventional solvents, for example the price is about 20 to 25 per cent. higher than for white spirit.

Applications are likely to be in adhesives, aerosols, surface coatings, printing inks, reaction media, polishes, wood preservatives, and other industrial uses with a suitable surfactant.

COMPUTERS

CAD pulls in the crowds

IF THERE still were any doubt as to the maturity of computer-aided design techniques, it must be dispelled with the opening today at Imperial College of a three-day CAD conference attended by no less than 430 delegates.

CAD has come of age through a great deal of hard work at the

CAD Centre, Cambridge, but acceptance outside the U.K. also in various other national laboratory and university centres around the country and in the computer rooms, and drawing offices of the many industrial concerns represented at or participating in the conference.

There seems to be a clear indication that while the U.S. has utilised CAD for advanced design-solutions in some of the more exacting jobs in aerospace, British exponents of the art have chosen to solve much more down-to-earth problems, for which the software was not necessarily less difficult to establish, particularly as a facility simple enough for the non-initiate to use.

This is one of the reasons why CAD and such offshoots as

SERVICES

Bureaux face hard battles

THAT IBM has received planning permission for a 34-acre site in Warwick where it intends to set up a major new Midlands marketing centre deserves more attention than it has so far had.

Some reasons are indicated: the building could house up to 700 staff and IBM computer services personnel have been reported as saying that the centre will also house a number of large IBM Series 370 machines (six or four 370/155, plus a number of 370/155). These will be installed to form the basis of a new country-wide on-line bureau service, with System 7, six of which are up and working, acting as line switches and concentrators.

Competitors believe that when the service comes on line, probably next year, IBM will then finally close down its batch bureau services, following the closure of five of these in 1975.

It is not known whether IBM will use the occasion to start to wind up its Call and TSB services as separate entities.

Not all IBM's bureau service competitors are in agreement on the meaning of the move and its portents for the bureau business.

One view is that an IBM entry on a major scale into the on-line bureau business will be good for the industry in that it will lead to a general expansion of the market. But a number of operators think that it will have a serious impact on the smaller bureaux.

One view being privately expressed by some operators has to do with the question of the desirability of the dominant computer manufacturer being able and allowed to intrude in a major way into the service business. The arguments here are of two kinds: one, basing itself on American experience claims, as the U.S. Justice Department argued in the discussions with IBM which led to the 1956 Consent Decree, that IBM should only be allowed into the service bureau business on at least a "hands off" basis. This would involve a separation of the bureau interests from IBM, they would have to be run and managed separately and keep a separate set of "books".

INSTRUMENTS

Takes the temperature

FOR under £100 the Digitherm 174 digital thermometer offers a simple portable means of taking accurate readings in liquids, gases, solids or semi-solids by inserting the appropriate probe from the company's range.

The instrument covers -55 to +1200 deg.C (with suitable probe), and offers automatic linearisation of the thermocouple signal, automatic function compensation, automatic zeroing, and indication of low battery power.

Resolution from -30 to +185 deg.C is 0.1 deg.C and above 185 deg.C the instrument automatically converts to a resolution of 1.0 deg.C.

Housed in a high impact-resistant case, the instrument is battery operated. Readings are in 0.5 inch high LED characters. Mains models, designated 275, are available for bench or wall mounting or fitting into existing equipment. More Digitherm instruments, Dicker Mail, Hertford (Hertford 50353).

PROCESSES

Single pass crushes rocks

THREE rock crushers introduced by Glen Cree The Broadway, S. Middlesex HA7 4DL (4218), for laboratory and industrial applications.

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From the hopper, material to be disintegrated can be any non-metallic material. For example granite, bone, ores, ash, into a channel between swinging breaker jaws can be of many sizes, less steel or tungsten. The swinging jaw is actuated by a cam-shaft. End position can be varied, even during operation, by adjusting between the jaws.

Looks into equipment

USEFUL for the inspection of machinery plant is the FS-100, offered by P. W. Allen 253, Liverpool Road, NI 1NA (01-507 4965).

The system consists of two sets of optics. One of these is mounted on a source to the 2 foot-length of the 2. The other bundle is arranged so that the probe can be at one end and the image is transmitted at the other.

The fibres at each end are bonded together, polished and furnished with an object at the "plant" end and a piece at the viewing end.

Facilities are provided for keeping the objective properly positioned, using the system (which from additional, IBM will pick up some of the elements that were present in the FS line, 20-25 per cent. growth rates.

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Rhodesia proposals win support

Callaghan points way to transfer of power

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

Tories fear Socialist planning in Energy Bill

A BILL giving the Government new powers to control the supply and use of fuel stocks in an emergency was given a second reading in the Lords yesterday.

Standard official testing of cars' fuel consumption is among several other provisions of the Energy Bill, which replaces a measure passed during the miners' strike in February 1974. The measure also deals with fuel stocks at power stations, the supply and use of natural gas, and price control on petroleum products.

Moving the second reading, Lord Lovell-Davis, Energy Under Secretary, said the fuel consumption tests would enable prospective car buyers to make reliable comparisons.

Lord Strathcona, Opposition energy spokesman, said the Bill is "pretentious and depressing". "It is pretentious because the title suggests that the Bill sets out energy policy, which it certainly does not. It is a ragbag of more or less unnecessary and objectionable measures."

The Bill showed the Government's and Whitehall's approach to legislation at present. "We fear this measure is a piece of Socialist planning masquerading as legislation to cater for emergencies. I am sure we will need to amend it considerably in committee."

Shore keeps in touch

Financial Times Reporter

MR. PETER SHORE, Secretary for Trade, assured the Commons yesterday that he is keeping in touch with the inquiries being made overseas into the affairs of companies associated with Slater Walker Securities. "At present, I have no information which would justify an inquiry under the Companies Acts," he added.

GOVERNMENT PROPOSALS

outlined yesterday by Mr. James Callaghan, Foreign Secretary, for an orderly transfer of power to majority rule in Rhodesia envisaged "significant" British aid.

But the aid would only be forthcoming, he made it bluntly clear in the Commons. If a number of essential pre-conditions were met and a peaceful settlement achieved.

Mr. Callaghan, condemning Mr. Smith for his "prevarications" and his continued attempts to "buy time" to remove the pressures upon him, appealed to Europeans in Rhodesia to realise the desperate situation into which the regime had led them.

Mr. Smith does not seem to realise that he no longer has much time to buy, said the Foreign Secretary. It was a warning that white Rhodesians needed to look for new leadership. With support for his proposals from both sides of the House, Mr. Callaghan could have done little in his chances in the ballot for a new leader of the Labour Party.

Mr. Reginald Maudling, "shadow" Foreign Secretary, was not prepared to do more than dispute the details of what Mr. Callaghan put forward.

But Mr. Callaghan, dealing with the anxieties expressed by Labour as well as Tory and Liberal MPs, said it was his understanding that the President of Rhodesia's neighbour States, despite their belief that an armed struggle might now be inevitable, still sincerely wished to see a peaceful settlement in Rhodesia.

Mr. Callaghan put forward the anxieties expressed by Labour as well as Tory and Liberal MPs, said it was his understanding that the President of Rhodesia's neighbour States, despite their belief that an armed struggle might now be inevitable, still sincerely wished to see a peaceful settlement in Rhodesia.

First, there must be prior agreement by all the principal parties of a number of pre-conditions. To begin with, there must be acceptance of the principle of majority rule.

Second, elections for majority rule must take place in 15 months to two years.

Third, there would have to be agreement that there would be no independence before majority rule.

Fourth, the negotiations must not be long drawn out.

"There would also need to be assurance that the transition to majority rule and to an independent Rhodesia would not be thwarted, and would be orderly," said Mr. Callaghan.

"If these conditions were accepted it would then become possible for the second stage to begin—namely the negotiations of the actual terms of a constitution for independence."

"An independent Rhodesia will need development assistance aid for educational and other purposes on a significant scale. Britain would play her part, but I hope that members of the Commonwealth, the European Communities and others would also be willing to help."

In a final settlement along these lines, all should be agreed to agree that guerrilla activity should cease and that an approach could be made to the UN with a view to lifting the economic sanctions now in force.

As things are, Mr. Smith is leading his country on the path of death and destruction, said Mr. Callaghan, and again he appealed to white Rhodesians. "Even at this late stage I ask the European population of Rhodesia to believe that there is an alternative path."

Mr. Callaghan said he had been thinking carefully about the kind of proposals he had put forward. The only question had been the timing. "We may have to appeal to a wider constituency, also including forces which some MPs may not care for, outside Rhodesia. I refer to the guerrilla forces."

"We may have to be ready to discuss this with a great many elements if we are to get a settlement. It is not sufficient to hold out the hope to Mr. Smith that if only he will end UDI we will de facto resume our responsibilities. That is the de jure situation but we must deal with the situation as it exists."

Mr. David Steel (Lab., Roxburgh, Selkirk and Peebles) warned that unless Mr. Smith opted for a peaceful transition to majority rule the consequences would be chaos and revolution in his own country.

Mr. Callaghan replied: "Mr. Smith's contradictory statements give very little room for believing that one can negotiate with him. I am really not hopeful that it is the duty of the House to say to the European population in Rhodesia: 'Here is a way forward.'"

Mr. Phillip Whitehead (Lab., Derby N.) said Mr. Smith was a biological liar with whom it was impossible to negotiate. The minority population in Rhodesia should be contacted directly by the Government. He asked how information could be passed on to them.

Mr. Callaghan said he hoped his Commons statement would receive widespread publicity including broadcast on the BBC's external services.

Mrs. Judith Hart (Lab., Lanark) said there was concern that the British Government might agree to go into Rhodesia to monitor a settlement. Unless this was totally acceptable to the Africans in Rhodesia, this could put Britain in a very dangerous situation.

Mr. Callaghan replied: "We have no intention of going into Rhodesia to pull anybody's chestnuts out of the fire. But if there is an agreement acceptable to all shades of opinion, we must be ready, if necessary, at some sacrifice to ourselves, to assist in ensuring that the settlement is translated into reality."

Mr. Maudling also asked for confirmation that the ending of UDI would mean that Britain would automatically resume "de facto responsibility" for the constitution and security of Rhodesia.

Mr. Callaghan said he had been thinking carefully about the kind of proposals he had put forward. The only question had been the timing. "We may have to appeal to a wider constituency, also including forces which some MPs may not care for, outside Rhodesia. I refer to the guerrilla forces."

"We may have to be ready to discuss this with a great many elements if we are to get a settlement. It is not sufficient to hold out the hope to Mr. Smith that if only he will end UDI we will de facto resume our responsibilities. That is the de jure situation but we must deal with the situation as it exists."

Mr. David Steel (Lab., Roxburgh, Selkirk and Peebles) warned that unless Mr. Smith opted for a peaceful transition to majority rule the consequences would be chaos and revolution in his own country.

Mr. Callaghan replied: "Mr. Smith's contradictory statements give very little room for believing that one can negotiate with him. I am really not hopeful that it is the duty of the House to say to the European population in Rhodesia: 'Here is a way forward.'"

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Mr. Michael Foot and the FT

On March 18 Mr. Michael Foot, Secretary of State for Employment, in the course of a debate in the House of Commons on the Trade Union and Labour Relations (Amendment) Bill, commented on the dispute which prevented publication of the Financial Times of that day.

He said: "The question of access here is interesting. The people who have been denied access to the Press by the action of the editor of the Financial Times are the members of the Royal Commission on the Press. The Royal Commission produced a report with some figures in it about the salaries paid to members of the National Graphical Association. The editor of the Financial Times, as I understand it, tried to cut out the reference to the salaries paid to journalists but left in the part which referred to the National Graphical Association members."

"I understand that for the union to say 'we are going to apply industrial action to pressure the Press by the action of the editor of the Financial Times' is putting in what he wants to put in. In connection with any law on access, however, one has to take into account the action of the editor of the Financial Times in suppressing what I would have thought was a very peculiar thing for him to suppress—that is the Report of the Royal Commission on the Press itself."

On March 19, the Editor wrote to Mr. Foot:

Sir—Yesterday evening in the House of Commons you made a number of comments about the dispute at the Financial Times on Wednesday evening which prevented publication of the newspaper. You may or may not have in the meantime seen an article on the front page of today's Financial Times which explains the circumstances of the dispute and embodies a statement from the Royal Commission on the Press.

You spoke in the House in your capacity as Secretary of State for Employment who, under the terms of the Trade Union and Labour Relations (Amendment) Bill, is charged with drafting a Bill to amend the law on access to the Press. I am sure you will be checking our side of the story.

In the course of your statement you actually said that I had suppressed "The Report of the Royal Commission on the Press itself". As you may or may not have seen in today's Financial Times there is a full page devoted to a summary of that Report, a page which was set up on Wednesday and which would have appeared in Thursday's paper had that paper been published.

In these circumstances I think it is only right that you should at the earliest possible opportunity make a public retraction of the accusations which you made in the House of Commons in the place where you made them, that is in the House of Commons. I would hope that your statement would make clear that your comments on the dispute in general and the reason for any action I may have taken in particular were made without your checking our side of the story.

For the rest, I hope you will appreciate how the matter arose in the House of Commons. References to what had happened on the Financial Times the night before were first made by another speaker, and I had to reply on the basis of what I said a little later that I regarded such a possibility as the complete suppression of the Report as a wild hypothesis. No one who heard me in the House of Commons, I believe, imagined for a moment that I was suggesting that you had sought to suppress the whole Report. If anyone had thought so, I am sure he would have jumped up to object.

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within 12 months. In your capacity as Employment Secretary you also have a responsibility for ensuring the best possible labour relations and this surely must on your part carry with it a desire not to aggravate any existing labour disputes and of the matter I hope that I will hear by Monday evening that you are agreeable to dealing with the matter in this way.

Yours faithfully,
M. H. Fisher,
Editor, Financial Times.

Yesterday, Mr. Foot replied: "I think you protest too much. If I had stated baldly in the House of Commons—as you assert in your letter—that you had suppressed 'The Report of the Royal Commission on the Press itself', I would surely have been guilty of misrepresentation. But the words 'I am sure he would have jumped up to object' can only be construed in this sense: if one sentence (which I acknowledge might have been better phrased) is entirely taken from its context, it is clear from what I was saying a minute earlier that my reference was to one particular section which you had sought to make from your presentation of the Report, and it is evident also from what I said a little later that I regarded such a possibility as the complete suppression of the Report as a wild hypothesis. No one who heard me in the House of Commons, I believe, imagined for a moment that I was suggesting that you had sought to suppress the whole Report. If anyone had thought so, I am sure he would have jumped up to object."

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APPOINTMENTS

Merchant Banking

We wish to appoint a highly motivated manager, aged about 30, who has had several years' experience of credit work, preferably in the field of project finance. Such experience will probably have been gained in the large City office of a Bank.

The successful applicant would report directly to the Managing Director of our International Banking Department and the main responsibilities would be assessing and reviewing all credit proposals. There would also be considerable responsibility for the budgets and administration of the four divisions of this large department. This probably means a professional qualification of ACA.

A competitive salary would be offered and there would be ample scope for promotion.

Fringe benefits include subsidised mortgage. Applications will be treated in strict confidence and should be sent with full curriculum vitae to:

T. C. H. Macafee, Staff Manager,
Brandts Limited
36 Fenchurch Street,
London E.C.3

Brandts
The Merchant Bankers

INVESTMENT ANALYST

Gilbert Elliott & Company, an entirely institutional firm with a specialised business, requires a further analyst for its equity research team. Age is not critical although someone in their mid-twenties is most likely to be suitable. Several years' analytical experience and a demonstrated ability to produce high quality written work are essential. Competitive salary by negotiation.

Ring Research Partner, A. Maybrey, on (01) 628 6782 or write to him at Salisbury House, London Wall, London EC2M 5SB.

Senior Dealer

S. G. Warburg & Co. Ltd.

The Bank wishes to engage an additional senior and highly experienced Foreign Exchange Dealer, who also has a sound knowledge of Currency Deposit Trading.

The position will offer considerable scope to participate in all the Bank's business through the generation of new ideas by the use of well-grounded skills acquired in the market over a number of years.

No age limit is stipulated but someone in their early thirties appears to be best suited to the vacancy. The position arises from an extension and widening of activities.

The salary will be negotiable but will be well into five figures and it will be supplemented by normal fringe benefits.

Please send a full curriculum vitae, in complete confidence, to—

P. K. Marlow, S. G. Warburg & Co. Ltd.,
30 Gresham Street, LONDON EC2P 2EB.

SERVICE MANAGER

Ingersoll-Rand is a leading international manufacturer of a wide range of products from compressors, rock drills and industrial tools to pumps and plastic machinery. The British organisation is currently expanding fast as a result of recent multi-million pound investments in new plant and in the extension of existing facilities. The company is now entering its most ambitious sales phase to date.

An exceptional opportunity arises for a mature person to head all the U.K. servicing operations. This key post is based at Wythenshawe in Manchester, with responsibility to the Sales Director at board level. It entails a high degree of involvement in company policy decisions and their implementation through both the company's staff and through a large network of widely varying distributors. The ability to maintain fluent, positive

communications with personnel in and outside the company, is therefore a vital asset.

Applications are invited from suitably qualified people, preferably with an appropriate engineering degree, whose experience has given them a valid claim to consideration for this demanding position. A background of industrial servicing administration at high level is essential.

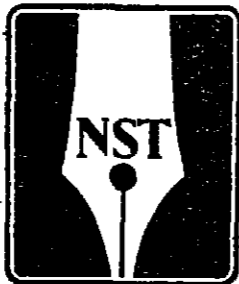
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3 Bonds of £1,000 Nominal Capital each		3 Bonds of £500 Nominal Capital each	
Number	Serial	Number	Serial
2286	2611	3099	2687
2287	2612	3100	2688
2288	2613	3101	2689
2289	2614	3102	2690
2290	2615	3103	2691
2291	2616	3104	2692
2292	2617	3105	2693
2293	2618	3106	2694
2294	2619	3107	2695
2295	2620	3108	2696
2296	2621	3109	2697
2297	2622	3110	2698
2298	2623	3111	2699
2299	2624	3112	2700
2300	2625	3113	2701
2301	2626	3114	2702
2302	2627	3115	2703
2303	2628	3116	2704
2304	2629	3117	2705
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2306	2631	3119	2707
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2327	2652	3140	2728
2328	2653	3141	2729
2329	2654	3142	2730
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The Executive's World

EDITED BY JOHN ELLIOTT

A leading accountant, Peter Godfrey, gives a personal view on how to vet company affairs

The scope and objectives of an audit

AUDITORS ARE being attacked for their lack of integrity, for being in effect the lapdogs of management rather than watchdogs of the shareholders. As with most human sins there are several sides to it and while no member of the profession would claim that an auditor is ever guilty of such judgment, human mistakes even worse, all members do strongly resist many of the criticisms now being levelled at the profession and individuals.

Part of the answer lies in the fact that businessmen, side those trained in the office of a professional accountant, not really understand the function of the auditor.

Laymen frequently assume that auditing consists of a laborious checking of accounts and discovery of minor falsifications, when in fact it is an expert examination of thousands of accounts prepared by management for shareholders followed by an expression of a personal opinion. This means that the audit has many similarities to an annual medical check and report by a doctor.

The professional doctor carries out tests, which must be emphasised are only, using his skills, which are used to enable him to discharge his duty of expressing an opinion that the accounts give a fair and true view of a company's financial position. He can, like a doctor, only give a professional opinion, and on the results of his tests cannot certify or guarantee the accuracy of the figures or that the company will "go bust" in the ensuing year — he can only report on the state of affairs at the date of examination.

But some of the figures included in annual accounts are based on management's judgment and estimates, and any of these judgments or estimates may prove

inaccurate to a greater or lesser degree. It is easy, with hindsight, to criticise the professional and say that he should have known, he was not sufficiently careful, or he did not explain the degree to which he accepted the inclusion of the estimates into the accounts. This is unfair criticism unless it can be proved that, at the time of giving the opinion, the auditor had failed to exercise due care by living up to the standards of his day.

There are two matters concerning the auditor which are not properly understood by many critics of the auditing profession. The first is that the auditor is reporting on his clients' accounts, not accounts which he has prepared himself. The auditor can try to persuade the client that the accounts would be better presented in a particular way but, in the final analysis, he is only required to say whether the client's presentation is true and fair.

The other matter is that the auditor has only one channel of communication with the shareholders — his statutory report. In this he can say that the company's accounts do, or do not, give a true and fair view. The alternative is black and white and there is no room for the numerous shades of grey reflected in accounts by the areas of judgment. It may be that the auditor's experience, or "nose," tells him to beware of a confident assertion by management, but he will have little tangible evidence to support that "gut feeling."

Nevertheless, when he has genuine doubts regarding a particular item or its presentation in the accounts he must draw attention to his uncertainty in his report.

The auditor knows that his report, if qualified, may have repercussions which could act to the disadvantage of his client company. Even a qualification on the grounds of uncertainty has a stigma of something wrong and at worst may even precipitate the happening of the event which underlies the auditor's uncertainty.

Despite this the difficulties experienced by auditors and the misunderstandings between auditors and the public must be overcome if the profession is to provide the service which is necessary for the efficient and

fair functioning of businesses — private, public and governmental. At the same time the profession needs to make clear precisely what services it can provide, what services it cannot provide and what services it could provide if the laws were changed.

In addition the profession — including individual auditing firms both large or small, as well as their respective institutes — must ensure that its standards of work are up to the highest level attainable with the



Mr. Peter Godfrey, partner in charge of the London office of Whinney Murray & Co., chartered accountants.

present-day skills. Individual firms must arrange their procedures in such a manner as will ensure that the quality of work done is high. Their staff must be adequately trained and provided with the most up-to-date aids and tools of their trade.

They must also arrange their affairs so that no member is left to shoulder responsibility without the opportunity of seeking advice and support from the firm at large whenever he considers it necessary. They must ensure that their procedures are such as to minimise the danger of problems being overlooked by any of the staff working for them. They must also ensure that their procedures are consistently followed by all partners and staff. These and other responsibilities lie primarily with the individual firm. The institutes can provide back-up assistance to firms through their publications and by providing training and set-

ting general standards. At present the Accounting Standards Committee develops accounting standards which are then adopted by each of the separate accounting institutes. The institutes have their own procedures for monitoring their members' compliance with these standards and for calling to account those members who fail to do so. Similarly the more recently formed Auditing Practices Committee will soon be issuing standards for auditing. Whilst it is not so easy to pick up failures to comply with auditing standards, the institutes will presumably make a comparable statement requiring members to comply or risk disciplinary action.

The difficulty, of course, in either case is to establish what disciplinary action is appropriate and possible. An audit is not the responsibility of an individual but of his firm and it is hard to see how direct punitive action can be taken effectively, particularly if the firm has numerous offices in many countries. There would be a problem over which offices the punishment affects and how can it be applied.

If the sanction were monetary, through a fine, it would not directly help to improve the firm's standards, and might even mean that there was less finance available to introduce improvements. If the punishment involved an outside review of the firm's standards there would be a problem about how to police it. If the sanction were withdrawal of membership, and hence from the ability to audit, there could be the question of who the ban should apply to and what would happen to the other clients. Perhaps the most effective sanction would be by advertisement of the offence, thus giving

adverse publicity as the effective spur to professional excellence. An additional goal to ensure standards and performance, however, must be the liability of the audit firm to professional negligence — whether limited to a realistic figure as proposed by the accountants or, as at present, unlimited. The partners' personal assets are at stake. Certainly the firm could insure itself, its claims experience would be reflected in its premiums.

Publicity of audit objectives as they now are is, however, only half the answer. There is also a need for the public, for whom the auditor works, to make it clear whether the services provided by the profession are what is required. Just as the Accounting Standards Committee to look into the fundamental scope and aims of published financial reports, which went back to first principles and reported on user needs in its discussion paper — The Corporate Report — so the Auditing Practices Committee of the Consultative Committee of Accountancy Bodies might consider setting up just such a committee to report on the scope and aims of an audit.

This committee should have representatives from all the users of accounts referred to by The Corporate Report and should consider which of the statements recommended by the committee should be audited and for what purposes. The committee's report would suggest help to ensure that auditors were providing the most useful service to their clients, and be a base from which to develop auditing standards.

The question of whether audits should continue to be

historical reports on the stewardship of management or whether they should be extended to the wider sphere of operational auditing should be considered. This would raise the questions of who determines the criteria against which performance is to be judged and reported on. Should auditors continue to give a brief report or adopt a longer form reviewing the financial situation? Maybe there should be two or more types of audit — one for the company in which the public invests as shareholders or depositors, and one for the business where ownership and management are one — and maybe therefore two or more sets of auditing standards.

Then there is the issue of whether auditors should report to the shareholders, or additionally to designated non-executive directors made responsible for liaison with the auditors. Audit committees are mandatory in some Canadian Provinces and in the U.S. they are encouraged by the Securities and Exchange Commission, where they appear to have met with some success. The question of auditors being allowed to hold shares in client companies should also be considered. Some firms already have rules banning such holdings to ensure the independence of the auditor.

Much has happened in the development of auditing techniques since the passing of the Companies Act 1948. The service provided by the auditor has, I believe, improved immeasurably in recent years and no doubt the profession will continue to improve itself. But the time is ripe for a long, hard look at these services to ensure that the user is well served and to protect the auditor from baseless or uneducated criticism.

Price cuts spread at Key Markets

BY ELINOR GOODMAN

IN THE two years since Fitch chain and will sustain the Lovell took over the ailing chain for a far longer period — David Greig, chain of 69 super-markets, and 189 other assorted — than other supermarket stores. Little has happened to operators. According to Key Markets figures, the prices they are offering on the 163 featured of view. Fitch Lovell was lines, which include biscuits, already operating 179 Key-corned beef, flour and breakfast cereals, will be significantly lower than those of other supermarket chains in the South of England and the acquisition of David Greig seemed to add little, except numbers.

Until now the emphasis has been on closing stores rather than expansion. Though 20 new large stores have been opened, 100 of the smaller shops have been closed in the past year. But last week, with what the company describes as the "cleaning finished," Fitch Lovell is moving onto the attack. The names on 55 of the company's 168 David Greig and Key Markets stores were changed on Monday. In future the David Greig name will be used only on the company's 73 smaller stores which will have a turnover of £15m. The Key Market name being reserved for the 95 supermarkets with a sales area of over 4,000 square feet.

At the same time, the Key Markets chain, with a turnover of around £120m, and an average store size of 7,500 square feet, will start a trading on reduced gross margins in an all-out bid to build up volume. The company is claiming to offer "the lowest supermarket prices in the South of England" on a range of 163 fast-selling items.

The idea is that, rather than offer deep price cuts on a small range of items, which change every fortnight as most supermarket markets do, Key Markets will give slightly smaller price cuts on a far wider range of merchandise.

The Key Markets management has been looking for a gap in the market for some time. Its problem was that with such a variety of different sized stores all trading under the Key Market name, customers did not know what to expect when they went into the shops. Key Markets' research indicated that housewives were getting slightly irritated by the constantly changing line-up of goods being sold at cut prices in supermarkets.

For this reason, Key Markets decided to go for sustained price cuts across a wide range of goods in its larger stores though the policy could prove expensive if the company does not get the extra volume. Key Markets has tried to be extremely discreet about the preparations for the relaunch. It has not even told its suppliers of its intentions, thus making it difficult for it to negotiate the kind of special terms which are usually involved in supermarket promotions. From this week onwards, however, Key Markets will be making a great deal of noise about its new policy with a £200,000 advertising campaign planned in the Midlands and the South over the next five weeks.

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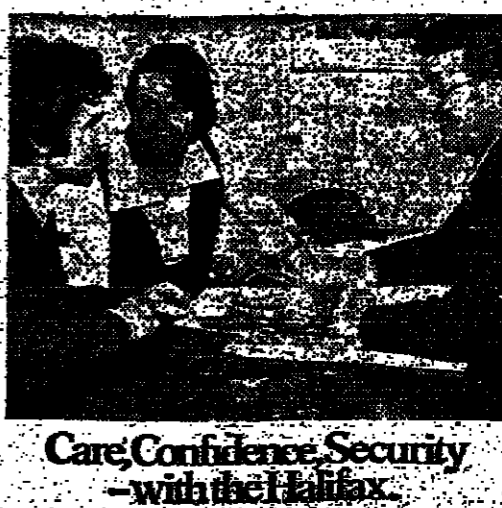
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BOOK REVIEW

Banking in secrecy

Dirty Money: Swiss Banks, the Mafia, Money Laundering, and White Collar Crime by Thurston Clarke and John J. Tighe Jr. Millington Books, £3.50. 316 pages

Despite its lurid subtitle, this is a factual and detailed account of how various American swindlers, petty and not-so-petty, have in recent times taken advantage of the secrecy afforded by the Swiss banking system to hide, disguise or increment their ill-gotten gains. It is therefore also a handbook on how to use the Swiss banking system for purposes near or over the limits of legality — that is, American or British legality, but not Swiss legality. But the authors soberly warn anyone who is thinking of treating it as a "how to" book that most of the techniques described are illustrated by examples in which the participants were caught.

Both the authors have worked for the U.S. Attorney's office, specialising in Swiss bank cases: so they know what they are talking about, and the strength of the book lies in the cases cited and criminals caught. It is a book that could only have been written "from the inside."

It also introduces us to some new American financial jargon. "Washing" and "laundering" "dirty money" are probably familiar processes to everyone by now, at least by name. But "paperhangers" were a new one on me — they are the men who specialise in passing off stolen securities.

The only quarrel one may have with the authors is over their hostility to the very principle of secrecy in Swiss banking. It is, of course, open to abuse, and is frequently abused, in deeds and in words. But one must not forget that its original use in the protection given by the Swiss to refugees from Nazi Germany, and to their property: the secrecy laws were to stop Nazi agents from prying too closely. Also, there must be a strong sympathy for any institution which affords some privacy, away from the snoopers and enforcers of modern state bureaucracies. It is not the fault of the Swiss that American society seems to offer such scope for financial swindling: it is hardly fair for the Americans to expect the Swiss to do their law-enforcement for them.

Recently, however, the Swiss have begun to give ground to their critics, by specifying circumstances in which information about bank clients will be revealed. More disturbing than the secrecy is the ease with which banks have been set up in Switzerland, to cash in on the aura of solidity given by being "a Swiss bank."

The much tighter regulations governing British financial transactions mean that this is not an it could happen here "type of book. But its parade of shady characters and shady deals make it a better tale than many novels: a rare example of financial bedside reading.

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The road from 'serfdom' for tenants

MOST council houses should keep an open mind while the offered for sale to the tenants debate proceeds. The trouble is now living in them. The that housing is one subject evidence in favour of such a (education is another) on which policy has become overwhelming. The latest proponent of for any length of time at all. On it, Mr. Frank Field, adds so the Left all you usually hear in much weight to the positive reply to those who advocate the side of the argument that it is sale of council houses is "it possible that his little pamphlet, which is published to-day, and before the this week's major event for working people—something of greater potential importance for millions of families than the argument about which of three compromising centrists should be placed at the head of the Labour Party.

For Mr. Field is not only the Director of the Child Poverty Action Group; he is also a committed socialist. His entire career is taken up with pressing for greater expenditure on behalf of the poor and the low-paid. As he acknowledges: "I am moving on to what many people would regard as a dangerous territory for one whose job is in a poverty organisation and whose political sympathies are on the Left of British politics. When such a person says that the one alternative which I believe should be given detailed consideration in the present situation is that of making over the whole of public sector housing to the tenants," the people who might have dismissed such a thought when it came from Mrs. Margaret Thatcher in 1974 or Mr. Peter Walker last year can no longer ignore the argument simply because they suspect its source.

Mr. Field is, of course, tentative. He lists what he sees as the advantages and disadvantages of a policy of council house sales and asks no more than that people on the Left

Saving

But what does "reduce the stock of housing owned by the public sector mean?" Each occupied dwelling remains unavailable until the family that is in it moves out. If that family buys, it pays a mortgage rather than rent, thus saving the public sector a great deal of money. The stock available for people to live in is not altered in any way. If the cash thus released is spent on housing another family in some other dwelling, the useful-used-stock is increased.

What happens, it will be asked, if the family buys the council house, sells it at a tidy profit after a few years, and then moves on? The house will then surely be "lost" to the public sector. The answer to this argument is "it all depends." If the terms of the original sale included a clause saying that the council must have first refusal if the family sells within say, five years, the loss might not occur. Such a clause could also limit the resale price. If the council has used the money saved by not owning the house as finance towards rehabilitating one of its recently-acquired old properties (rather than leaving it empty for another few years) the gain will be real and



Mr. Frank Field, director of the Child Poverty Action Group: a socialist who believes there are advantages in selling tenants their council houses.

effective; ask the family that moves into the rehabilitated property. On the other hand if the purchase of council houses were to become wildly popular a real run-down in the publicly-owned stock might be unavoidable. Its extent would depend on the price at which the dwellings were offered and the type of building: tower flats would probably remain public, while other flats might go to tenants' co-operatives. Terrace houses might be sold off individually, but not all tenants would wish to buy.

It will be seen that there is no simple answer to any question about the effect of council house sales on the publicly-owned housing stock. But let us assume that there could be a reduction in the total stock owned by local authorities (as opposed to the stock used by persons, which would not be affected). The important question that follows is: what are the benefits of such a policy?

Acknowledged

Mr. Field indicates the first one, by acknowledging that "some people will argue that municipal housing as such is a very good thing"—and adding pointedly that "that certainly does not tally with my experi-

ence of being on a council for four years where we were not receptive to the needs of many ordinary families." His kind of socialism—that of G. D. H. Cole—meant the spread of wealth and power "throughout the entire community."

All the evidence I have seen, or heard, on this subject confirms what most of us know to be true: that the great majority of people in Britain want to own their own homes. A large number of council tenants feels the same way. Some 53 per cent. of all dwellings in the U.K. are now owner-occupied, as against 31 per cent. rented from local authorities or new town corporations.

A policy designed to move, say, one-third of those tenants into the owner-occupation class so many of them clearly desire would do more to bring about "a fundamental and irreversible shift in the balance of power and wealth in favour of working families" than most of the other policies in Labour's Programme for Britain, which sets such a shift as its very first goal. It will not happen under a Labour Government until the Party shakes itself free of the absurd and outdated notion that municipalisation equals socialism.

Freedom

Yet the policy would still leave about one-fifth of the nation's housing stock in the hands of local authorities; it is perhaps too much to hope that councils would in those circumstances give their tenants at least the same freedom of manoeuvre as that given to long-lease tenants in the better-run parts of the private sector. Many of the tenants who declined to buy would no doubt be elderly (as Mr. Field says); in their case the costs and responsibilities of management might seem daunting. Others might simply prefer not to own. The need to provide publicly-owned (or better, co-operative-owned) dwellings for such people cannot be denied. But the rest must own.

Another benefit that would be derived from selling council houses is that each unit sold might mean that much less public money would be wasted. In 1965-66 rents, after rebates, covered 73 per cent. of what local authorities in England and Wales spent on housing revenue account. The equivalent figure is now down to 43 per

cent., and the brave hope in the recent public expenditure White Paper is that it can be eased up to 50 per cent. by the end of the decade. This vast outpouring of taxpayers' money has done little to produce more housing: between 1968 and 1974 the subsidy was more than doubled—in real terms (heaven knows how much it went up in cash money)—but the number of dwellings rose by only one-eighth.

The automatic response on the Left when this is pointed out is "what about tax relief on mortgages?" to which the answer is that even if this is regarded as a subsidy you must then examine the results in terms of houses produced, lived in, and giving satisfaction to the inhabitants before you decide whether and how quickly you want to run down either or both forms of subsidy. (And to those who pretend that interest rates alone account for the high public-sector costs, the answer is: look at management and maintenance costs, which in many cases are not covered by the rent.)

For what is so often overlooked in the endless arguments about whether the column of figures headed "public" can be made to look equal or unequal to the column labelled "private" is the purpose of it all: to provide housing that people want at a price they can afford. Perhaps we subsidise every kind of housing too much; if so that can be argued about as a long-term policy; since no practical politician is likely to reduce everyone's housing subsidy at a stroke.

Mr. Field's great contribution is derived from his determination to return to first principles.

Research

Concern for such people is not a middle-class monopoly. Mr. Field spends all his time working with and for the poorest among us; he is a leading figure in the "poverty lobby" and one who I sometimes think would cheerfully bankrupt us all in the interests of those for whom he campaigns. He is still, of the Left, he acknowledges, that after further research he may change his mind on council house sales. But that an appeal to consider the proposition should come from such a quarter can only be good news for those caught by the serfdom—his word—of some council estates.

"Do we need Council Houses?" Frank Field, The Catholic Housing Aid Society, 139a Old Brompton Road, S.W.5.

Letters to the Editor

Structure of the BBC

From Mr. J. Crawley

Sir—After 30 years in the BBC and only one in retirement I cannot claim to have reached the state of neutral objectivity to which TV critics must aspire. So I will not challenge the assumption on which Chris Dunkley based his two articles, March 10 and 17—that the BBC is "one of the most successful organisations in the world" at "current affairs"—though I believe it to be nonsense.

When he develops Brian Lapping's theory about the effects of the different structures of BBC and ITV, however, we are closer to questions of fact and I do know at first hand how the chain of command works in the BBC. I was part of the chain for some years, first as Editor of News and Current Affairs and then as chief assistant to the Director General—the post which is the lightning conductor for the electrical discharges between the BBC and the political parties.

First the "monolithic structure." It is true that the BBC is monolithic compared to ITV and yet the notion that the DG "and his assistants and immediate staff have quite a lot to do directly, with programme making" bears no relation to the facts. Programmes are not made like that. The ideas come from within the "Tonight," "Nation," "Panorama," "Kitchen" and usually nothing is known of them among the DG's immediate staff until they appear on screen.

The principle of "reference upwards" rarely reaches beyond Lime Grove. On one occasion when it did, "The Question of Ulster" programme in 1972 provided the classic case in this decade of the BBC, up to the level of chairman, defying unprecedented Government pressure, exerted in public, against showing the programme at all. I can think of no case in which a programme was prepared and then not shown because of intervention by the DG or his immediate staff.

Outside criticism of the BBC structure has usually been that insufficient control is exercised over programme makers. Perhaps that reflects the truth that there is and must be great freedom to allow creative producers to do their best work, but that no system could work in which a producer had no second judgment—usually his own editor—looking at the matter with a wider perspective.

My own view, as my colleagues wear away, is that there are good and bad current affairs items on both BBC and ITV and the extent that one or other scores is due to the quality of the staffs of the various programmes—always changing—and not to the structure within which they work. John Crawley.

157, Clarence Gate Gardens, N.W.1.

District heating

From Mr. E. Haseler.

Sir—David Fishlock reported (March 17) on the South of Scotland Electricity Board's district heating feasibility study made for Glasgow. The disappointing result of the commendable gas prices are the result of the initiative is no surprise to any. Ideal situation of an energy industry experienced in the growth pattern of combined heat/power investment in producing a form of energy in declining demand and an energy not capable of meeting the demand incurred by a major cause of our supply. These two industries—nuclear, power, and gas—of course, in no way, should be used instead of an un-

ending procession of feasibility studies.

Glasgow would be an ideal starter. We have a massive need in Britain of whole-town heating from any source so how else can we gain realistic technical-economic experience for combined heat/power schemes? Malmö is mentioned as having extensive district heating so why not invite their comments on the "study"? It is predictable that they would recommend substantial economies in the largest cost item, heat distribution, by reducing the water temperature from 127°C to 90°C or lower. Capitals in other Western European countries have district heating from power stations, boiler plants and refuse incinerators, so why not Glasgow with its mere favourable load density?

District heating started undergoing a metamorphosis in 1973 when many Governments realised that to minimise the heavy economic penalties of oil imports it was necessary for them to take the initiative in encouraging its even wider use so that reject heat could in time replace urban fuel combustion. Some towns are too small to absorb the large quantities of reject heat, so instead of the local perspective it needs wider planning on national and regional scales to achieve this.

I have for years propounded the necessity of centralised co-ordination, such as National Heat Authorities or Energy Boards that will collect heat from all those who have it to sell and distribute it to those who need it in the public and private sectors. The SEEB would then be able to sell heat exposer stations when an adequate heat demand had come into existence due to the Heat Authority's ground work in building up many local schemes, perhaps using transportable heat plants. The authority would be unbiased and would vet schemes for technical and economic viability. It would take the initiative in all respects including the provision of loans obtained from investors. National capital investment could be reduced overall and certainly jobs for many thousands of people would be created.

Ernest Haseler, 39, Grimsdale Avenue, Croydon.

Varied use of fuels

From The Chairman, Parliamentary and Local Government Committee, District Heating Association.

Sir—David Fishlock's item March 17, on the cost of district heating is timely. The District Heating Association, which would certainly come under the heading of "enthusiasts" for district heating, does not regard a report showing that this form of heating required Government support as being a serious blow to the long-term prospects of district heating.

At the centre of the case for district heating is the need for central Government to accept that the present costing of energy is severely distorted and at all times external factors can cause those prices to be seen to be completely artificial. The present situation with regard to electricity prices and the commendable gas prices are the result of the initiative is no surprise to any. Ideal situation of an energy industry experienced in the growth pattern of combined heat/power investment in producing a form of energy in declining demand and an energy not capable of meeting the demand incurred by a major cause of our supply. These two industries—nuclear, power, and gas—of course, in no way, should be used instead of an un-

are acting according to the rules, but the rules need to be changed. Otherwise, we will again face a massive reapplication and the need to revise our resources in another few years time. This is why district heating requires to be considered with all forms of energy utilisation in the context of a national approach to energy supply and distribution.

The unique contribution of district heating is that it is different to the source of energy supply and thus provides the only long-term method able to call upon coal, gas, oil, refuse incineration and other sources as the situation demands. This is why, as David Fishlock points out, many other countries in Europe are taking the long-term view and giving district heating the support it so vitally requires in its early stages. We already lag behind in this long-term energy thinking, but it is not too late to make the necessary change in direction.

J. H. Birch, Redwood House, Bristol Road, Kingtonham, Bristol.

The price of gas

From Mr. David Mitchell MP.

Sir—It is rather astonishing that no one so far appears to have commented on that extraordinary report in your column (February 20) that the chairman of both the Electricity and Coal Boards were complaining that the price of gas was too low, and as a result, more and more people are turning to gas. They even suggested that the Government must do something to force up the price of gas, if necessary by further taxing it!

Apart from the fact that these two chairmen had clearly never heard of Mrs. Shirley Williams' campaign to keep prices down, it is surely a symptom of the cock-eyed world in which we are being forced to live to-day that this extraordinary suggestion was apparently put forward in all seriousness, and was not at once held up to ridicule—perhaps next week they will support an increase in the price of bread, to bring it up to potatoes.

It is certainly instructive to observe the reaction of these industries to a bit of competition, perhaps a bit more might change their attitude towards their competitors, which might not be a bad thing! David Mitchell, House of Commons, S.W.1.

Civilised society

From Mr. T. St. Ather.

Sir—I would endorse the welcome given to the Roy Jenkins type of "civilised society" by Joe Rogaly (March 17) but would take issue with his analysis of the so-called casualties of that society, might change their attitude towards their competitors, which might not be a bad thing! David Mitchell, House of Commons, S.W.1.

it not be argued that the higher statistics reflect a more liberal and healthy society? A great number of divorced people go on to form meaningful relationships and put into practice lessons learned from an earlier, unsuccessful relationship. In the past such couples might have been condemned to live out a miserable and increasingly bitter relationship.

A decade ago many employees would face the risk of dismissal if it were found that they were "living in sin." It might still happen in a few isolated cases to-day, but provided the employee concerned had been with the company six months, he or she would have an extremely strong case to claim unfair dismissal and to be compensated. Timothy St. Ather, 11, Lower Dagnall Street, St. Albans, Hertfordshire.

Building wage award

From Mr. N. Usher.

Sir—I fear that there is a basic error in Mr. P. Palmer-Jones's letter (March 20) concerning the building wage award. If we assume the pre-increase figure to be 100, accept Mr. Palmer-Jones's 100 per cent. on-cost (probably very much too low, I fear). The pre-increase charging out figure will be 200. It follows, therefore, that if we add 10-12 per cent. to the original 100, making the post-increase figure 110-112, and overheads at 100 per cent. to the increase, this will become 220-224, an increase of 10-12 per cent. on to the charging out prices—not really a fickle to Carey Street when compared with the going rate of inflation. Neville R. Usher, 11, Huns Road, Stratford-upon-Avon, Warwickshire.

Smokeless zones

From Mr. D. Sarll.

Sir—I, B. Mayers (March 20) deals with two variables when he considers better ways of allocating railway seats to meet the needs of the smoking and non-smoking public, but there are at least two more factors he should bear in mind: firstly the income category of the traveller. As you have reported the Family Expenditure Survey shows that the richest 20 per cent. of households accounts for 48 per cent. of total personal expenditure on rail travel. It would be reasonable to suppose that these are people who are members of professions or are employers or managers.

This leads on to the second factor namely that of the differing smoking habits of socio-economic groups. "Social Trends No. 6" contains a bar chart relating these two factors and whereas one-third of men in the professions smoke cigarettes, two-thirds of men in the unskilled manual socio-economic group do so. It seems that the less you smoke cigarettes the more likely you are to be well educated and thus a member of a higher socio-economic group and, in turn more likely to travel by rail. I suggest that if Mr. Mayers waits a little longer he will find no need for a non-smoking compartment because none of his fellow passengers will smoke. Don Sarll, 28 Ellesmere Road, Eccles, Manchester.

To-day's Events

GENERAL
The Queen and Duke of Edinburgh are guests of Prime Minister and Mrs. Wilson at farewell dinner, 10, Downing Street.
Joint meetings of Cabinet and Labour Party National Executive, 10, Downing Street.

Provisional unemployment figures for March published.
Mr. Andrei Gromyko, Soviet Foreign Minister, holds talks with Mr. James Callaghan, Foreign Secretary, London.
European League for Economic Co-operation conference, "Europe's Food in the 80s," Grosvenor House, W.1. Speakers include Mr. Pierre Lardoux, EEC Commissioner for Agriculture, Mr. Francis Pym, Opposition spokesman on Agriculture, and Mr. Asher Winegarten, deputy director-general, NTU.

PARLIAMENTARY BUSINESS
House of Commons: New Towns (Amendment) Bill, second reading.
Consideration of Property Services Agency Order and of any Lords amendments to Water Charges Bill.

House of Lords: Consolidated Fund Bill, second reading; Post Office (Banking Services) Bill, report stage and possible third reading; Anglian Water Authority Bill, second reading. Debate on measures to prevent rabies outbreak in U.K. S.W.1.

OFFICIAL STATISTICS
Construction new orders (January).

COMPANY MEETINGS
Associated Portland Cement Manufacturers (full year). Brown Brothers Corporation (full year). Consolidated Cold Fields (half year). Stone-Plati Industries (full year). Tomstin Distillers (full year). Turner and Newall (full year). United Newspapers (full year). Weir Group (full year).

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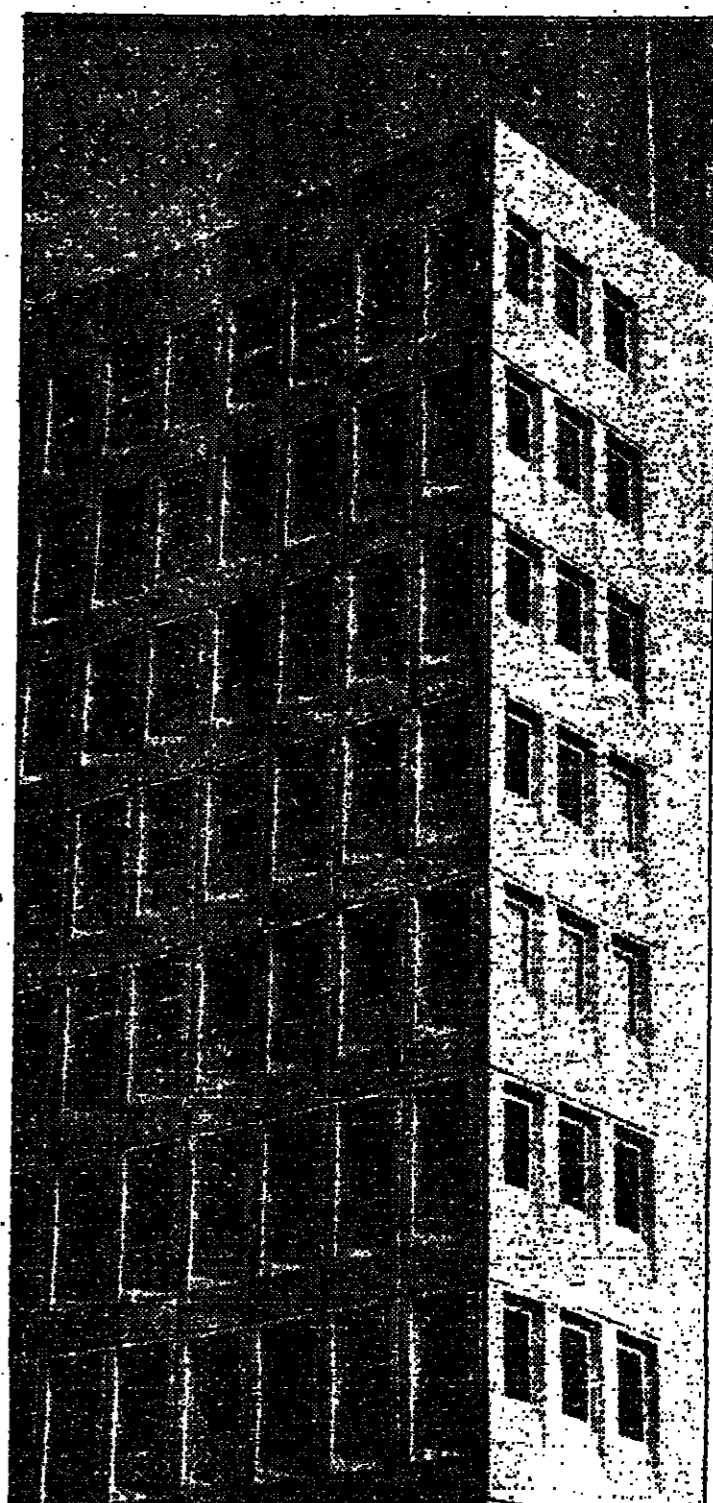
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Gillett Bros. expansion

REVEALING TO a narrowing of margins in the latter part of 1975, Mr. David Whitley, chairman of Gillett Brothers Discount, says that although this situation does not present the group expects to maintain its profits by further increasing turnover in all types of paper and expanding outlets at a rapid pace.

As part of an expansion and very successful investment in the government bond market, Gillett expects to continue its policy of active jobbing.

The reported group profit fell sharply from £31,181 to £25,047 in the year ended January 21, 1976.

The chairman says that for the second year running there has been a record for intake and turnover of all types of bills. For most of the year the group traded at modest profits in short-dated bills, and since November, with northern rates easing and the station rate falling, it has been possible to take a more optimistic view of the bond market.

However, the chairman says that there is still no sufficient confidence in the outlook beyond a budget to commit group funds to that market and there is a very temperate view.

The group has extended operations in the Far and Middle East, and now has a new agency for operating with 500,000 prospects in North America, to replace an agency which was liquidated in New York.

This subsidiary is now being liquidated and full provision has been made in the accounts for the loss on this investment.

The balance sheet at January 21 showed bills discounted at £158,450, (£146,450), British government Treasury bills £77,570, (£64,720), and commercial and other bills £20,800, (£17,700).

Loans, totaling £171,700, (£166,800), are shown in the accounts.

Meeting, 55, Cornhill, E.C. 4, at 2.30 p.m.

Chairman's statement Page 20

G.M. Whitley loss - no dividend

ON LOWER sales of £3.01m. compared with £3.77m. manufacturers of gold leaf and stamping tools, George G. Whitley, incurred a pre-tax loss of £100,948 for 1975 against profits of £13,000 compared with £13,000 in 1974.

The chairman, Mr. A. L. Marr, says that the adverse trading conditions and inflationary influences continued during the second half but at an even higher rate.

The extraordinary item reflects the special expenses arising from the Livingston factory project shown net of tax.

Due to the "very disappointing" results, and expectations for an even more difficult year in 1976 before the company expects to move back into profit following its re-orientation at Livingston, the chairman will make "a very full statement" with the annual report and accounts.

F. J. Wallis can pay for own growth

Supermarket and self-service operators, F. J. Wallis, has the ability to generate capital for future expansion out of earnings and there is no need to borrow, says Mr. F. J. Wallis, chairman in his annual statement.

This, plus measures to minimise retail and distribution costs, are the major factors in the fight against rising costs, he adds.

Turnover during the first five weeks of 1976 has improved by 25 per cent and Mr. Wallis anticipates a continuation of this throughout the year.

With the store improvement programme well under way and a share for every 58,873 Ordinary share in on hand, the chairman says that the company is in a position to maintain margins during 1976, he states.

BAINBRIDGE BROS.

Bainbridge Bros. (Engineers) of Bury has changed its name to Bainbridge Engineering.

WINTRUST

Shareholders in Wintrust may elect to receive one new Ordinary share for every 58,873 Ordinary shares held, and not 58,868 Ordinary shares as inadvertently stated in 1975.

MINING NEWS

Hudbay's \$36m. Decalta sale

BY KENNETH MARSTON, MINING EDITOR

THE Anglo-American Corporation group's Canadian Hudson Bay Mining and Smelting has agreed to sell its shares and debentures in Western Decalta Petroleum to Great Lakes Power Corporation for \$36.32m. (\$19.19m.).

Hudbay acquired substantially all its Decalta interest from Anglo-American Corporation in April 1974 for a \$30m. combination of shares and cash.

The latest deal will give Great Lakes Power a 33.5 per cent equity interest, or effective control, in Decalta. Conversion of the latter's debentures into shares would lift this equity stake to 43.5 per cent. Great Lakes Power does not intend to make any offer to other holders of Decalta.

Hudbay had earlier hoped to effect a merger of the 33 per cent-owned Francana Oil and Gas with Decalta. But the plan was dropped when it was found that the merger would have resulted in serious tax disadvantages because of changes in tax legislation affecting the oil industry.

The sale now proposed is stated to give Hudbay the chance to "redeploy its investment within a more coherent organisational structure."

Last year the base metal potash and oil-producing Hudbay saw net earnings fall to \$14.8m. from \$44.8m. in 1974, a loss having been made in the final quarter of 1975.

VOGELS' URANIUM INVESTMENTS

The Consolidated Gold Fields group's South African base-metal investment concern, Vogelstruis Metal Holdings, has added shares in Barrobest and Vaal Reef to its portfolio in order to acquire an interest in uranium.

Commenting on these initial purchases the chairman, Mr. R. A. Hope, says that it is expected that uranium profits will become increasingly important for the two companies.

Unless dividends from the zinc investments increase further, he fears that Vogelstruis income may be lower this year. The shares were 56p yesterday.

AFRIKANDER LEASE

Still hoping that it will eventually join the uranium-producing South Africa's Afrikaner Lease has arranged with "an overseas company of international repute" to test ore samples with a view to establishing an operating process using leaching techniques which have worked on a laboratory scale.

ROUND-UP

The Rio Tinto-Zinc group's South African copper producing Palabora will continue to operate profitably, says chairman Mr. G. A. Macmillan, though at reduced levels and should remain one of the world's lowest cost operations.

He considers the mine's competitive position will be enhanced after the completion of expansion early next year.

Also in the Rio Tinto-Zinc group Australia's Comalco expects improved results in the current year. The chairman, Mr. D. J. Hibberd, expects the company to maintain or modestly improve its sales volume at slightly higher prices but considers that there will continue to be unused capacity in the aluminium industry with no scope for major new developments while the economic recession continues.

A more reasonable royalty formula has been agreed in principle with the Queensland Government.

America's Freeport Minerals says that the Greenvale laterite nickel project in Queensland, Australia, where it is partnered by Metals Exploration continued to have serious problems owing to high costs of construction, operation and fuel during a period of low nickel prices.

'Some increase' for Steetley

WITH INDICATIONS that a trade recovery throughout the world has begun, N. M. Steetley, chairman of Steetley, says that he therefore expects that group profits will show some increase in the current year.

In the longer term better results are expected from acquisitions made over the past few years, particularly in Australia and Europe. In addition the capital expenditure on new plant will benefit from improved demand and make progressively greater contributions to profits, adds the chairman.

The directors are now confident that the group has a wide enough range of activities coupled with geographical and market spread to maintain its growth record. It is intended to develop new processes, products and markets from the base of existing businesses and to seek further opportunities for expansion in the U.K. and overseas.

Overseas earnings now account for half of total profits, the chairman points out.

As reported March 31 group pre-tax profits in 1975 were considerably better than expected showing an increase from £13.27m. to £13.79m.

Referring to inflation accounting, the chairman says that while agreeing with the Sandilands proposals it was not possible for the group to comply with them in respect of 1975 accounts which have been converted on a CPP basis. This shows a surplus before ordinary holders' funds are up by 47 per cent.

Following the rights issue the group is now in a strong financial position to meet current and projected commitments. At the year end there were short term deposits of £13.92m. (£5.93m.) and bank balances of £1.56m. (£0.53m.).

MINING BRIEFS

MOUNT ISA MINES—February 16 to March 14: Lead ore treated, 174,025 tonnes, produced 10,719 tonnes crude lead and 13,446 tonnes zinc concentrates. Copper ore treated, 245,392 tonnes, produced 12,239 tonnes blister copper.

ELECTROLYTIC ZINC

4 weeks ended Mar. 2, Feb. 4, 1976 (tonnes)

Ridgeway Works:	9,383	11,385
West Coast Mines:	38,123	46,592
Ore treated:	707	918
Lead concentrate produced:	7,499	9,987
Zinc concentrate produced:	1,581	1,771

NEW GUINEA GOLDFIELDS—February: Golden Ridge: Milled 1,224 tonnes ore, assaying 0.17 fine gold produced 73.71 ounces. Fine silver produced 73.02 ounces. Gold Creek: Fine gold produced 14.79 ounces. Fine silver produced 13.73 ounces. Wau Savannah: Sawn under produced, 100 tonnes, 100 tonnes.

UNITED TIN AREAS OF NIGERIA

January: Output of concentrates 172 per cent grade: Tin 11 tonnes, ten months to date: 21 tonnes. Same period 1975 562 tonnes.

WESTERN MINING—Four weeks to March 8: Central Westman treated 10,871 tonnes for 7,261 ounces gold. Kalbar 5,324 ounces gold.

LONDON TIN—Amalgamated Mines of Nigeria February cumulative output 9 tonnes (January 17 tonnes).

ISLANDS—Output of tin concentrates for February: 41 tonnes (January: 46 tonnes).

INTERIM STATEMENT

Staffordshire Potteries (Holdings) Limited

INTERIM STATEMENT ON THE GROUP PROFIT FOR THE SIX MONTHS ENDED 31st DECEMBER, 1975

	UNAUDITED Six months ended 31st December 1975	2000's	AUDITED Year ended 30th June 1975	2000's
Group Turnover	269	190	617	104
Trading Profit of the Group	54	50	104	104
Net Profit Before Tax	215	140	513	257
Taxation	112	73	257	257
Net Profit After Tax	103	67	256	23
Extraordinary Items	—	—	—	—
Minority Interests	103	67	279	21
Profit Attributable to Holding Company	78	47	258	258
Dividend:				
Interim	25	22	22	22
Final	—	—	—	27
To Reserves	53	25	209	209

Earnings fell from 8.61p to 3.50p per 25p share; and a final dividend of 2.25p makes 3p net for the year, against 4.3p.

There were signs of some trading improvement in the second half and the year continued into early 1976, the directors report.

Liquidity remains healthy after what has been an extremely difficult year.

Turnover in 1975 improved 0.45m. to £4.63m. After tax £28,000 has a 1975 net profit came out at £2,000 (£215,000).

December, 1973 — 5.76p Ordinary shares.
December, 1974 — 3.93p Ordinary shares.
December, 1975 — 123 Ordinary shares.

Group turnover for the first six months of the current financial year has increased by 31 per cent compared with the corresponding period of last year and unaudited pre-tax profits have risen by £75,000. By controlling costs and increasing sales your company has maintained its progress under extremely difficult economic conditions. Your Board anticipates a satisfactory outcome to the year's trading and have increased the interim dividend to 2.5p per share.

The dividend will be payable to the shareholders on the register on the close of business on the 1st June, 1976 and the dividend will be paid on the 1st July, 1976.

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* The current year has opened well for our car business. Other products are somewhat subdued but further ahead prospects look bright.

* The Board is pushing ahead with a major investment programme.

* The profitable progress of the Company has continued in 1975 with turnover up by 37% and profit by 17%.

* Motor car output exceeded 3,000 units for the first time. 69% of the cars built were exported and earned over £22 million, an increase in export earnings of 50% over 1974.

* Unit production of diesel engines increased by 13%. Direct exports increased by 80% in 1975 and earned, with spares, £7 million.

* In total the Company exported goods to the value of £33 million. The increasing success of the Company in export markets can be seen from the table below:

Year	Direct export of cars and diesel engines	Percentage of group turnover
1971	£10.8m	28%
1972	£12.6m	29%
1973	£16.8m	35%
1974	£22.0m	37%
1975	£33.1m	42%

Last year showed an increase of more than 50% in direct exports over the previous year. It should be noted that the total import content of a Rolls-Royce car which may be sold overseas at prices ranging from £17,000 to £34,000 is only £1,000.

* The Board recognizes with gratitude the hard work and loyalty of all employees and the confidence shown by the shareholders.

ROLLS-ROYCE
MOTORS

The Report and Accounts for the year ended 31st December 1975 will be available from 29th March 1976 and copies may be obtained by request to The Secretary, Rolls-Royce Motors Holdings Limited, Pym's Lane, Crewe, Cheshire CW1 3PL.

Preliminary Announcement

The consolidated trading results (subject to final audit) of Rolls-Royce Motors Holdings Limited and its subsidiary companies for the year ended 31st December 1975 are shown below:

	1975 £000	1974 £000
Turnover (Note 1)	79,669	58,391
Trading profit	6,267	5,434
Loan stock interest	479	480
Profit before taxation	5,788	4,954
Taxation—United Kingdom (Note 2)	2,107	2,007
Foreign	578	378
Profit after taxation	3,103	2,569
Extraordinary items	—	323
Profit after extraordinary items	3,103	2,246
Minority interest	26	10
Dividends	3,077	2,236
Interim paid—1.5p per share (1974 1.5p)	630	540
Final (recommended)—2p per share (1974 2p)	841	720
Retained profit	1,806	976
Earnings per share (Note 3)		
basic	7.54p	6.81p
fully diluted	6.89p	—

NOTES

1. Direct exports
Direct exports from the United Kingdom amounted to £33,083,000. (1974 £22,014,000).

2. Taxation
It has been the Company's contention that the accumulated tax losses of Rolls-Royce Limited at 1st June 1971 are available to Rolls-Royce Motors Limited under the provisions of Section 352 of the Income and Corporation Taxes Act 1970. Following the rejection of the Company's claim by the Special Commissioners a case was heard in the High Court in February 1976 and judgment.

Subject to approval by the Company at the Annual General Meeting a final dividend of two pence per share will be paid on 7th May 1976 to the holders of the existing ordinary shares recorded in the register at the close of business on 22nd March 1976.

given rejecting the claim. In the light of this judgment leading counsel has advised the Company not to pursue its appeal any further. Provision for taxation was made in the Company's Accounts in prior years on the basis that the claim would not succeed and in consequence no underprovision for taxation arises by reason of the claim being rejected in the High Court.

3. Earnings per share
The earnings per share reflect the increased share capital following the Rights Issue in May 1975 calculated in accordance with the Statement of Standard Accounting Practice No. 3.

Japan Air Lines, the fifth largest airline in the world, is coming to the end of a financial year of drastic economies following the loss of \$90m. on its operations in 1974. Charles Smith traces the background to JAL's difficulties and explains why a return to profitability may have to be slow.

Flying an airline back to health

WHAT DOES an international airline do when its fuel bill doubles, its passenger traffic growth rate slows down to almost zero after years of rising by 10 or 15 per cent. annually, and its most profitable single route has to be closed as a result of political developments beyond its control? This has been the question confronting Japan Air Lines, the Japanese national flag carrier and the world's fifth largest airline (fourth until the end of 1974).

JAL lost \$90m. on its operations in 1974, a deficit even bigger than that of Pan American. It also lost its route to Taiwan, which had been bringing in a revenue of \$40m. a year, because the Taiwanese did not like the terms on which Japan had agreed to open an air link with the People's Republic of China.

But this year, while JAL may not be exactly flourishing, it does hope to break even in the 12 months ending March 31 thanks to a rehabilitation plan which has involved cutting down expenses and streamlining operations in just about every area its management could think of.

Stunned

The problem facing JAL executives a year ago was not simply that the company had been stunned by the 1973 oil crisis. Despite its rather dynamic reputation, JAL also has, or had, some weak spots compared with other international airlines. Its administration is top heavy, as is shown by its efforts to reduce administrative manpower by 20 per cent. over the next three years. It also flies with substantially bigger cabin crews on its international passenger services than other major airlines, though no one seems quite sure whether

this is because the company faces a strong staff union or because (as JAL executives put it) it takes longer to say "will you have tea or coffee?" in Japanese.

The other major problem for JAL at a time of recession is that it cannot directly dismiss workers. JAL would like, according to Mr. Shizuo Asada, its president, to reduce its total manpower by significantly more than the 8 per cent. it is planning to achieve through natural wastage and voluntary redundancies over the next few years. But lay-offs are taboo in the Japanese business world, where staff are employed for life, and JAL's voluntary early retirement programme has so far attracted just one applicant.

The result is that the retrenchment programme has so far gone painfully slowly compared with what Mr. Asada would have liked and, perhaps, compared with what some other more ruthless airlines might have been able to achieve. But just because of this, JAL has been obliged to be more ingenious in looking for expenditure cuts than would have been necessary if it could simply have got rid of, say, 15 or 20 per cent. of its labour force.

The cuts, as planned a year ago by the "Committee for restoring the health of the company" (the title preferred to the more ruthless sounding "rationalisation committee"), included, first, the obvious course of cutting down flight schedules and stretching out aircraft delivery timetables. JAL did both of these things, although it was cautious about making too big a cut in its domestic flight schedules for fear of giving business to All-Nippon Airways, which already flies more passengers than it does. It persuaded Boeing to park in the Arizona Desert two 747s which should have started flying for JAL last year and whose depreciation would have cost the company \$6.5m. a year if they had been in service. There was also a six-month postponement of the delivery of four DC10s needed to compete

with All-Nippon's Tristars on domestic routes. These are now due to come into service late this summer.

JAL had to pay out an extra \$120m. for aviation fuel in 1974 as a result of the quadrupling of oil prices the previous year. Now it claims to have achieved fuel economies of around \$7m. a year. These have included adapting aircraft for higher and slower flight and drawing up a new list of nominated alternate airports to be used if scheduled airports are closed. The point of this change is that airports on the revised list are closer to normally scheduled airports so that aircraft have to carry less additional fuel in order to be able to reach them. JAL has also asked its pilots to exercise "finer" judgment in estimating the amount of fuel to be carried for unforeseen emergencies, though it has been extremely careful to avoid issuing anything which might sound like an invitation to cut safety margins.

Suspended

Capital expenditure on ground facilities, which was almost completely suspended during the first six months of last year, and advertising and publicity, has been cut by 30 per cent., are two relatively straightforward areas where some fairly savage economies were recommended by the "rehabilitation committee." Much less straightforward, but in the long run far more crucial, has been the task of rationalising the staff situation. JAL took an initial, and bold, decision in this field when it cut, first, directors' salaries and, later, all senior managers' salaries by 10 per cent. in the early part of last year, saving an estimated \$1.3m. a year and projecting what was hoped would be an image of self-sacrifice to "other ranks." This was followed by a decision to hire no new staff in 1976 (it was already too late to cancel the 1975 hirings) and to hire only flight staff even in 1977.

The 1976 hiring cancellation will mean that between 500 and 1,000 people will not be added to JAL's 15,000-strong labour force this year but this in itself will be nowhere enough to eliminate overmanning. To reduce administrative staff without actually sacking people, JAL has transferred 1,100 administrators to new posts as "district sales co-ordinators" in various parts of Japan (it says it does not know how many extra tickets they have actually sold).

It would like to reduce the size of its cabin staff on international flights to somewhere near the international average by negotiating with the union. But this is considered an extremely sensitive subject, and JAL executives are reluctant to say at the moment even when talks are likely to begin. Two much less sensitive measures which have been adopted have been the cancellation of overtime (saving about \$2.5m. in the first six months of the current fiscal year) and an end to contracting work out to external agencies (saving about \$3.3m.).

The broad outlines of the JAL programme can be summed up in the targets for the three business years covered by the plan. These are to break even in March 1976, at least in the sense that operating losses will be balanced by special non-operating profits and mandatory transfers from reserves; to make a profit and pay off accumulated debts in 1977; and to resume dividend payments in 1978. The record so far for 1975-76 suggests that the programme is on schedule. JAL's revenue for the year has been running about 1 per cent. below advance estimates, but expenses are 2 per cent. below the budget and the operating deficit for the year is expected to come out at less than \$15m.

Since transfers and non-operating profits should be at least double this, JAL will be able to declare itself back in the black at the end of the financial year, although it will

still be carrying a heavy interest burden on losses run up in the preceding year. But the journey back to profitability does not settle all the questions about the airline's future. How JAL will fare in the moderate growth era forecast for Japan's economy in the 1980s, whether it can hold its own in the South East Asian travel market as a company abiding by the rules of the International Air Transport Association in competition with the ruthless fare-cutting of non-LATA members, whether Japan can get a bigger share of traffic on the North Pacific routes where two-thirds of the passengers are Japanese citizens but only one-third of the capacity is provided by Japan—all these remain open questions.

Modest


The probable answer to the first of them is that the future of JAL, like that of the Japanese economy, may be rather modest in comparison to its past. JAL's business in terms of revenue ton kilometres grew by an average of 20 per cent. a year during most of the 1960s and the early '70s, and its place in the league table of LATA members rose over the same period from 15th to fourth. The growth projected for the next few years is only about half that, and may not be very different from that of other big international airlines.

The questions about JAL's relations with competitors and its performance in individual markets are more difficult. Mr. Asada says that the solution to the current outbreak of fare cutting in South East Asia is to strengthen the regional Orient Airways Association and to try to get it to adopt some of the rules introduced by IATA. He emphatically, and probably sincerely, disclaims the idea that JAL might seek the opposite solution of joining the South East Asian free-for-all and beating other airlines at their own fare-cutting games. This is seen as the surest way to make a loss.

On the North Pacific, where



A JAL 747: when in service the aircraft costs the company more than \$3.2m. a year in depreciation.



Sunderland and South Shields Water Company

**SATISFACTORY RESULTS
IN YEAR OF
CONSIDERABLE CHANGE**

The following matters were referred to in the Report and Accounts presented at the Annual General Meeting on Monday, 22nd March 1976, and in the statement by the Chairman, Mr. Walter B. Allan—

In my statement last year I referred to the dry period which started in March 1972. My expectation that Derwent Reservoir would not fill during last winter was borne out. This had made it necessary to increase the pumping of underground supplies during 1975.

A continuation of the abnormally dry weather has meant that the overall water position is now worse than it was the same time last year. The situation is being watched very closely. All the Company's underground sources are at present being used and the River Wear Scheme which is under construction, should be making additional resources available before the end of 1977.

The financial results can be regarded as satisfactory. Water rates and charges were substantially increased with effect from 1st January 1975, with a view to restoring the balances on Net Revenue Account and the Contingency Fund. These balances had been run down to unacceptable levels during the years when water rates and charges were kept at artificially low levels in order to assist governmental efforts to combat inflation.

At the end of 1975 the balance on Net Revenue Account was £299,346 and on the Contingency Fund £289,593.

Strenuous efforts are being made by several agencies to attract industries into the North East and an adequate supply of water is of the utmost importance. The additional water resources resulting from the Northern Brian Water Authority's Kielder Scheme, in conjunction with the Company's River Wear Scheme, have been designed to play an important part in the economic resurgence of the North East.

Economy in the use of water and the avoidance of wastage will not only lessen the risks of shortages of supply but will reduce the expenditure of the Company. This in turn will help to lessen increases in water rates and charges during the next few years.

An issue of £2,000,000 of 9% Redeemable Preference Stock, 1980 was made in June 1975, and a further large issue will have to be made in the next few months. This proceeds will mainly be required to finance the construction of the River Wear Scheme.

Sunderland and South Shields Water Company
29 John Street, Sunderland SR1 1JT.

The Solicitors' Law Stationery Society Limited

Preliminary Profit Statement

Year ended 31st December	1975	1974
	£	£
Turnover	14,346,010	11,356,823
Profit before taxation	1,340,421	1,263,370
Taxation	718,072	655,549
Profit after taxation	622,349	607,821
Minorities	8,618	3,506
Profit attributable to members before extraordinary items	613,731	604,315
Extraordinary items (See note)	97,088	125,966
Profit attributable to members after extraordinary items	£516,643	£478,349
Dividends	£372,067	£348,183
Earnings per ordinary share	5.77p	5.63p

Note: Extraordinary items in 1975 relate to Goodwill by purchase or on acquisition of shares in subsidiaries and businesses written off, including adjustments in respect of previous years.

The Chairman, Mr. R. A. Hodges, states:

Sales and profits have, for the ninth consecutive year, reached new peaks despite the economic recession which affected many of our major markets and inflation of our own costs at a time of severe price controls. Under these circumstances sales up 26.3% at £14,346,010 inevitably increased faster than profits which were nevertheless up 6.1% at £516,643.

This overall progress was achieved by increasing our share of our traditional markets while actively using our existing expertise to diversify into new but related fields.

The increase in earnings per share from 5.63p to 5.77p would have been higher but for losses overseas, principally relating to setting up our publishing and allied operations in Northern Europe. The losses will, of course, be available to relieve taxation on future profits in the companies concerned.

The Board are recommending a final dividend of 2.0024p (net) per share, the maximum allowed under present legislation, which makes a total distribution for the year of 3.46224p (net) per share. It is proposed to pay the dividend on 30th April, 1976 to members on the register on 9th April, 1976.

The Annual General Meeting will be held at the Howard Hotel, Temple Place, London WC2 on 28th April, 1976 at 12 noon.

Oyez

The Solicitors' Law Stationery Society, Limited

Oyez House, 237 Long Lane, London SE1 4PU

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| Is your field call system inexpensive? | <input type="checkbox"/> | <input type="checkbox"/> |
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Adams Foods forecasts £1m.

TURNOVER for the 27 weeks to January 3, 1976 at Adams Foods was £40.8m. and profit £0.92m. subject to £0.27m. tax. And chairman Mr. J. H. Adams forecasts a profit of £1m. for the full year. For the first 26 weeks of the previous year the figures were £37.99m. £0.3m. and nil.

The interim dividend is being raised from 0.525p to 0.575p net and the directors intend to pay the maximum permissible 0.575p final. Preference dividend absorbs £2.40 and the Ordinary £28,393 (£24,777). Last year's total payment was 1.05p from profits of £0.66m. The company markets, distributes and packs food products. The figures, say the directors, reflect significant investment into a number of areas of diversification in the half year and come when one new division—Kerrygold Fresh Foods—is about to launch an extended chilled range of dairy products, into national distribution. Adams Biscuits division, having

ICB profit nears £4m.

International Commercial Bank reports profits up from an adjusted £3.14m. to £3.97m. in 1975. Direct comparison is affected by the contribution of the leasing subsidiary, now included for the first time. Net tax profit increased from £1,326,870 to £1,776,147 in 1975, and after dividends the carry forward is up from £8.84m. to £8.84m. Total assets have risen from £257.7m. to £422.72m. Since the balance sheet date, ICB's up capital has been increased from £5m. to £7m. by the capitalisation of £2m. from reserves.

COMPANY NEWS IN BRIEF

ANGLO-AMERICAN COAL CORPORATION—Results for 1975 already known. Fixed assets £16.8m. (£14.8m.). Net current assets £28.2m. (£25.1m.). Standing orders on capital expenditure contracts £84.2m. (£82.2m.). Projects approved but not contracted out £19.3m. (£18.5m.). Meetings, Johannesburg, April 7.

ANGLO-AMERICAN SECURITIES CORPORATION—Results for year to January 1976 already known. Fixed assets £25.5m. (£25.8m.). Current assets £2.5m. (£2.8m.). Liabilities £14.4m. (£14.1m.). From estimate of current year revenue, directors anticipate that it will be possible to maintain dividend at 2.5p per share. Meetings, 3. Queen Victoria Street, E.C.4 on April 14, at 2.45 p.m.

CHARLES BAYNES—Results for 1975 reported February 19. Fixed assets £14.7m. (£12.5m.). Current assets £27.42 (£26.82). Meetings Blackburn, April 26, at 10.00.

RAZAFONI HOLDINGS announces that in view of funds now being available from India, the dividend of 3.85p per cent. already declared, will be paid on April 2.

WOND STREET FABRICS—Results for year to September 30, 1975, reported February 4. Fixed assets £28.2m. (£28.2m.). Net current assets £81,871 (£83,386). Chairman says results for first half of year will only be about same as those for first half of last year. Over shorter term company still maintains high level of activity at order book is satisfactory. However, it is difficult to make any sensible forecast as to what results will be for year. Meetings, Leicester, April 14.

BOUGAINVILLE COPPER—Results 1975 already known. Current liabilities £12.5m. (£12.5m.). Current assets £12.9m. (£23.3m.). Ultimate holding company Rio Tinto Zinc. Meetings, Panama, Bougainville, April 6.

BRITISH INDIA TEA (HOLDINGS)—Final dividend 2.5p making 9.45p for 1974. Fixed assets £27.42 (£24.68). Net revenue after tax £19.01 (£18.33).

CABLEFORM GROUP (makers of control seal)—No interim (unaud.) Turnover

returned to a level of profitability within 18 months of acquisition by Adams Foods in 1973, has continued to progress and to make a valuable contribution to the first half figures. Statement Page 20

Johnsen and Jorgensen

The Johnsen and Jorgensen group of plastic closure manufacturers, glass and plastic containers, merchants, has formed Johnsen and Jorgensen (Propack) based at Charlton, South-East London.

The new company will undertake all types of packaging, manual assembly work, labelling, and silk screen printing of plastic containers.

(L44p). Board proposes to recommend that shareholders be given the right to elect to receive shares in lieu of the recommended dividend.

GEORGE INGHAM (HOLDINGS)—Final dividend 0.35p making 0.20p (0.30p) will be paid on May 4. Turnover for year 1975 £35,156 (£32,345). Pre-tax loss £1,097 (loss £5,485); tax credit £5,212 (credit £1,610) leaving profit of £2,417 (profit £115). Earnings per share 17p (5.01p).

HARTLEPOOL WATER COMPANY—Net profit for 1975 £161,501 (£20,800). Dividends £12,104, forward £12,301. Fixed assets £2.8m. (£2.2m.). Current assets £28.04 (£27.44) including gross trading investment income £21,160 (£22,397). Deposit interest £18 (£16) and dividend received from trading subsidiary £1,785 (£1,501). Pre-tax revenue £14,501 (£15,072) after loan and bank interest £1,200 (£1,200) and management expenses £5,273 (£5,268). Tax nil (same). Net asset value per 5p share 24.58p. Board proposes scheme of reduction of capital to bring issued capital more into line with underlying assets.

MARIEVALE CONSOLIDATED MINES—Results 1975 already known. Mining assets £4.5m. (£4.5m.). Net current assets £11.1m. (£10.6m.). Meetings, Johannesburg, April 15.

MCINTYRE MINES—Results for 1975 already known. Investments £114,681 (£111,124). Earnings in 1975 expected to be similar to 1975. Meetings, Toronto, April 22.

ARTISANS' DWELLINGS COMPANY—Results for 1975 already known. Fixed assets £2.2m. (£1.8m.). Net current assets £2.5m. (£2.5m.). Meetings, Dublin on April 15.

EAST RAND CONSOLIDATED—Dividend 1.50p (£1.50p). Pre-tax profit for year ended 1975 £12,000 (£17,000). Tax £21,000 (£17,000), leaving £91,000 (£110,000). Earnings per 10p share 2.35p

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Bayer confirms German chemicals recovery

BY GUY HAWTHORN

FRANKFURT, March 22.

SWIFT FROM Bayer, the last to report of West Germany's "big" chemical concerns, today confirms that the West German chemical industry is now on the road to recovery. Like BASF and Hoechst, Bayer is reporting a marked revival in sales in the fourth quarter of 1975.

The pick-up in business has, however, taken place largely in domestic sales. Exports by Leverkusen-based parent concern are still very depressed and a turn-around in foreign sales will be needed before the company can be said to have returned to normal.

Bayer's report will also provide some encouragement for shareholders in the Federal Republic's smaller, listed chemical concerns. Most of them have been through a gloomy recession. While it means all of them tend to mirror the performance of the big firms, many will undoubtedly benefit from the recovery.

The recovery, so far, seems to be sustained one. Bayer, like two leading competitors, reports that the fourth quarter upturn continued into the new year, bringing with it improved utilization of capacity and a consequent fall in overheads. At a point in the year nobody is making predictions as to the likely course of 1976, but, obviously, recovery in the U.S. and grounds for guarded optimism.

As with BASF and Hoechst

the upturn came too late radically to improve the 1975 figures. All that can be said is that without it they would have been a lot worse. Profits in 1975, both for the group and the parent, will be heavily down on 1974.

Bayer's world turnover held up better than that of the parent. World sales in the fourth quarter rose slightly, moving up 1.3 per cent, to DM4.45bn. This compares with a 20.9 per cent increase in the same quarter of 1974 when sales totalled DM3.9bn.

Figures for the full year put 1975's world sales at DM17.9bn, a 7.4 per cent drop on the previous year's DM19.8bn. Compared with this, the parent concern's 1975 turnover dropped 17 per cent, to DM7.9bn. The heavy decline reported by the parent is attributed particularly to the fall off in exports which went down by 18.8 per cent, compared with an overall fall in domestic sales of 10.9 per cent.

As a result exports as a proportion of total turnover dropped from 51.9 per cent in 1974 to 59.3 per cent.

The fourth quarter's figures for the parent clearly indicate a good chance of a domestic recovery. Overall sales totalled DM2.06bn, compared with DM2.07bn in the same period of 1974. However, home sales rose by 1.2 per cent, to DM882m, against the DM879m in the final three months of the year before.

During the first nine months of

1975 home sales had averaged 14.2 per cent below the comparable figures for 1974.

Overseas sales totalled DM13.8bn, a 1.5 per cent drop on the DM14.2bn in the fourth quarter of 1974. But this in itself was a considerable improvement on average for the first three quarters of the year when exports were a full 24 per cent down on the previous year's levels.

The decline in overseas sales, stemming from the improved utilization of capacity, coupled with previously initiated savings measures, had a beneficial effect on the parent's pre-tax profits. However, at DM580m, they were still 25.3 per cent lower than 1974's DM782m. The report commented that the fourth quarter upturn permitted the release of funds which had been tied up in precautionary measures as well as yielding income which had not been foreseen in the previous three quarters.

Group figures are not yet available. However, while the fourth quarter's earnings are an improvement on the previous nine months' profits, the year's earnings are likely to be substantially down on 1974. The report states bluntly: "income for the whole year will be appreciably lower than in 1974."

Capital investment by the parent concern during the year slid heavily from 1974's DM880m to DM686m. Investment in subsidiary and affiliated companies went down from DM297m to DM113m.

Recovery glimpsed at Empain-Schneider

BY RUPERT CORNWELL

PARIS, March 22.

A SLIGHT but discernible recovery in business has been detected from the fourth quarter of 1975 onwards by Empain-Schneider, the giant engineering, construction and banking group headed by Baron Edouard-Jean Empain.

Figures published today in the group's regular news letter show that sales last year rose 8 per cent to Fr.21.3bn. (€2.3bn.), less than enough to offset inflation, but a respectable performance when set against those of comparable French industrial groups.

The inflow of new orders contracted sharply, by around 13 per cent, to Fr.27.7bn. (€3bn.), from Fr.31.1bn. (€3.4bn.), but this downturn was slightly mitigated too by the fact that the last part of 1975 was witnessing a strong upturn. The final three months saw fresh orders of Fr.7.7bn. against barely more than Fr.5bn. for each of the two preceding quarters.

Most striking perhaps though is the evidence put forward that Empain-Schneider—contrary to a belief still current—is now almost completely French, despite the well publicised Belgian passport carried by the Baron himself, and the still perceptible reluctance of the French authorities to accept him fully as one of their own.

French companies, most quickly repeated,

notably of course the nuclear engineering specialist Creusot-Loire, now account for Fr.17.7bn. or over 80 per cent of consolidated turnover. The group's Belgian interests now generate only Fr.1.5bn. or less than the Fr.2.1bn. derived from companies outside those two countries.

As if to support its unimpeachable French pedigree—underlined last month by the entry of Baron Empain on to the executive board of the Patronat, France's equivalent of the CBI—the group pointed out that exports by French subsidiaries reached Fr.9.9bn. (€1bn.) last year.

The most impressive 1975 showings came from the engineering side (up 66 per cent on the previous year) and the public works division (23 per cent higher). These gains were however to some extent nullified by declines in the still important sectors of special steel, and shipbuilding where Empain is represented by Chantiers Navales de Dunkerque.

Orders revealed much the same pattern as sales, with French companies accounting for Fr.23.5bn. of the Fr.27.7bn. total. Empain-Schneider pointed out that much of the drop from 1974 onwards was due to the fact that orders that year, in the aftermath of the energy crisis, were of a size unlikely to be quickly repeated.

European loans signed

BY DAVID CURRY

BRUSSELS, March 22.

CONTRACTS for the first three tranches of the European Community's \$1.2bn. borrowing were signed here today. They consist of DM500m. for seven years at 7 1/2 per cent interest issued at 99 1/2 per cent; \$300m. for six years at 8 1/2 per cent; and a \$300m. five-year inter-bank rate over London.

The variable rate loan is being led by the European Banking Company of London. The other two are being led by the Deutsche Bank AG (Frankfurt) and a subsequent \$500m. private placement of a maturity of under four years which will be arranged next month.

Mr. Wilhelm Haferkamp, commissioner in charge of financial affairs, emphasised that the Community, which is growing more disciplined in the Italian economy than has been evident so far.

The borrowing is the first by the Community as such as opposed to one of its agencies like the Investment Bank or the Coal and Steel Community. The Council set a \$3bn. ceiling on such aid for countries with balance of payments problems. Taking into account interest payments the sums for Ireland and Italy leave the community with some \$700m. capital available under its original authorization.

Margaret Reid writes: Guest Keen and Nettlefolds borrowing is DM100m. (£20.8m.) through a public bond issue.

The loan, through an international banking syndicate, headed by the German group Commerzbank, will be for seven years, with repayment on May 2, 1983. Interest is likely to be at 7 1/2 per cent, and the issue price floating at 100 was 0.25 per cent, better than the market had originally thought possible.

Mr. Stanislas Yassukovich, managing director of the European Banking Company, said that he was confident that the equally over-subscribed borrowing could be arranged at the same rate of interest, while Dr. Wilfried Guth of the Board of the Deutsche Bank said that the dollar and Deutschmark offerings at fixed interest had been equally over-subscribed although the Deutschmark issue had originally been more popular.

He added that he expected to see an important volume of Arab funds participating in the private placement.

Defeating the imposition of conditions on Italy geared essentially to clipping the treasury deficit Mr. Haferkamp said it was essential to reduce liquidity. He admitted that these conditions plus the Italian government's own measures could make it difficult to sustain the economic upswing which had begun to appear in Italy since the turn of the year. He claimed

that the upswing itself could only be maintained if there is more discipline in the Italian economy than has been evident so far.

The borrowing is the first by the Community as such as opposed to one of its agencies like the Investment Bank or the Coal and Steel Community. The Council set a \$3bn. ceiling on such aid for countries with balance of payments problems. Taking into account interest payments the sums for Ireland and Italy leave the community with some \$700m. capital available under its original authorization.

Margaret Reid writes: Guest Keen and Nettlefolds borrowing is DM100m. (£20.8m.) through a public bond issue.

The loan, through an international banking syndicate, headed by the German group Commerzbank, will be for seven years, with repayment on May 2, 1983. Interest is likely to be at 7 1/2 per cent, and the issue price floating at 100 was 0.25 per cent, better than the market had originally thought possible.

Mr. Stanislas Yassukovich, managing director of the European Banking Company, said that he was confident that the equally over-subscribed borrowing could be arranged at the same rate of interest, while Dr. Wilfried Guth of the Board of the Deutsche Bank said that the dollar and Deutschmark offerings at fixed interest had been equally over-subscribed although the Deutschmark issue had originally been more popular.

He added that he expected to see an important volume of Arab funds participating in the private placement.

Defeating the imposition of conditions on Italy geared essentially to clipping the treasury deficit Mr. Haferkamp said it was essential to reduce liquidity. He admitted that these conditions plus the Italian government's own measures could make it difficult to sustain the economic upswing which had begun to appear in Italy since the turn of the year. He claimed

Daf Trucks triples its loss for 1975

BY MICHAEL VAN OS

AMSTERDAM, March 22.

IF TRUCKS, the sole Dutch manufacturer, has revealed estimated losses in 1975 of some \$35m. (about £2m.) largely as a result of the slump in the market. This reported loss is not triple the previous year's loss of \$12.5m.

Writing in the company's annual report, Mr. Pieter van Doorne, Trucks chairman since last year—he was formerly the company's finance director—outlined the losses on market sets, the high cost of research and development, and the sense resulting from short-term pricing in 1975. The company noted a "clear increase" in flow of incoming orders from domestic and foreign markets since November. But, the recovery could not eliminate structural problems which now being dealt with and which would entail a significant reorganisation of personnel.

An independent commission, just looked at the problems, and estimated that the company's position is also under

chemicals group DSM 25 per cent and the Daf holding company 42 per cent. It has had a capital injection from the partner companies a Dutch Economics Ministry spokesman said today. The company's negotiations on State aid, probably in the form of a subordinated loan, would be concluded "very shortly."

The Dutch Government is expected to decide before the end of this month whether it will grant aid in the form of loan guarantees. IHC Holland, the specialised Dutch shipbuilding company, so that it can complete a drilling vessel. The request for aid was made after it transpired that a Norwegian shipowner, Staabo, had cancelled a contract for a second drilling vessel, writes Michael Van Os.

IHC is believed to have a good chance of receiving state aid. Although entitled to payment under the contract, annulment penalty clause, it had already begun work on the contract and the employment of many workers was at stake, the Economics Ministry said today. There had been a threat of strike action at the IHC Gusto yard, which was due to deliver the vessel in 1977, after the IHC Board had stated that employment would be in jeopardy if the decision on the financing

was not reached before March 31.

Meanwhile, an extension of Dutch state aid had narrowly prevented the bankruptcy of a smaller Dutch offshore contractor, Zeeuwse Offshore Contracting, which employs around 100 people.

The company, which specialises in heavy offshore constructions, is located in the Sloe harbour area in Zeeland Province, south of Rotterdam. It is understood that negotiations concerning the company's takeover by a larger group are in progress.

Higher Borel dividend expected

QUES BOREL International, which paid a total dividend of 12.45 (Fr.9) in 1976, chairman Jacques Borel told a Press conference last week.

Consolidated profits should rise to Fr.25m. (Fr.20.14m.) over to Fr.1.8bn. (Fr.1.1bn.) cash flow to Fr.75.7m. (Fr.42m.), he added.

Borel said the group's main business in the future will concentrate in North Europe, representing 50 per cent of total turnover by 1980.

Joint ventures with chain restaurants in Germany and the Netherlands are currently under study, and 36 per cent of 1976 sales outside France will be in

these two countries and Belgium, against 17 per cent last year.

Borel stressed that the group will be completely self-financing by 1979 at the latest and there is no question of raising additional capital through rights issues.

Reuter

Major Australian cement producers facing capital investment dilemma

BY JAMES FORTH

SYDNEY, March 22.

AUSTRALIAN cement producers are currently in a state of flux. First of all, the two South Wales, Australia's major producers are faced with decisions on whether to invest in expansion programmes. The end of a looming supply shortage. But the concrete industry, if both decide to implement expansion plans they could create a chronic over-supply situation that could last several years and if either decides not to expand, it runs the risk of

surrendering market position to its competitor.

The problem area is in New South Wales, Australia's major market: the Eastern states, NSW and Victoria dominate Australia's cement requirements. The end of a looming supply shortage. But the concrete industry, if both decide to implement expansion plans they could create a chronic over-supply situation that could last several years and if either decides not to expand, it runs the risk of

or a total of \$A140m, on large new cement plants in NSW head off an impending supply shortage.

BCSC was formed in 1974 from a merger of the interests of the Associated Portland Cement Manufacturers of U.K. and Broken Hill Proprietary Co. BHP did bid for control of A and K but was thwarted by CSR Ltd. and Pioneer Concrete, which first bought control in the stock market and then since acquired A and K completely. It turned out that when BHP made its offer that APCM and A and K had been considering building a jointly owned 750,000 tonnes a year cement plant, and had formed a company for the purpose known as Eastaustrian Cement. The cost at that stage was estimated at only \$A35m. But the joint plant fell through after the BCSC merger.

By late 1974 when the cement companies were seeking price increases from the Prices Justification Tribunal, the possibility of a joint plant was again under consideration.

By this time the companies were looking at a 1.5m. tonnes a year plant to cost upwards of \$A120m. This idea has now been scrapped and the cement companies are once again looking at unilateral expansion.

BCSC is planning a \$A70m. plant to produce 750,000 tonnes of cement a year and is also working on an alternative proposal for a 550,000 tonnes a year plant. A and K is working on a \$50,000 to 600,000 tonnes a year plant to cost about \$A50m. With new terminal costs A and K's expansion would also total about \$A70m.

BCSC is looking at a cash issue and a debenture issue for about \$A30m. plus cash flow, to finance its expansion. A and K would

probably finance its expansion about 30 to 35 per cent in borrowings, 50 per cent in capital injections and the remainder from cash flow.

The cement situation is becoming pressing in NSW. The state now cannot match demand completely and supplies are being brought in from other states. But there is little surplus cement, except in South Australia, and that is largely earmarked for Queensland, where shortages also exist.

The current size of the NSW market is about 1.7m. tonnes a year. In recent years it has been growing at an annual rate of between 5 and 6 per cent, although there was virtually no growth in 1975. Cement companies press ahead they could install new capacity of 1.1m. to 1.35m. tonnes a year. Obviously this could create a chronic over-supply situation. Similar situations have arisen in other capital-intensive industries with a predictable market for the product, such as fertilisers, paper and bauxite-alumina. But in these cases export markets could absorb the over-supply until demand caught up. There is, however, little prospect of exporting cement.

Both companies could close down old and inefficient operations to ameliorate the situation. BCSC has four plants already operating in NSW and, it is suggested, could shut two and reduce production by about 450,000 tonnes a year. A and K operates only one plant in NSW—\$A60m. With new terminal costs A and K's expansion would also total about \$A70m.

Even so, if both companies press ahead with their plans it seems certain the NSW market will be over-supplied.

LECTED EURODOLLAR BOND PRICES

MID-DAY INDICATIONS			
CENTS	Offer	Offer	Offer
100 1/2 1975	100 1/2	100 1/2	100 1/2
100 1/2 1976	100 1/2	100 1/2	100 1/2
100 1/2 1977	100 1/2	100 1/2	100 1/2
100 1/2 1978	100 1/2	100 1/2	100 1/2
100 1/2 1979	100 1/2	100 1/2	100 1/2
100 1/2 1980	100 1/2	100 1/2	100 1/2
100 1/2 1981	100 1/2	100 1/2	100 1/2
100 1/2 1982	100 1/2	100 1/2	100 1/2
100 1/2 1983	100 1/2	100 1/2	100 1/2
100 1/2 1984	100 1/2	100 1/2	100 1/2
100 1/2 1985	100 1/2	100 1/2	100 1/2
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100 1/2 1987	100 1/2	100 1/2	100 1/2
100 1/2 1988	100 1/2	100 1/2	100 1/2
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100 1/2 2000	100 1/2	100 1/2	100 1/2
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100 1/2 2020	100 1/2	100 1/2	100 1/2
100 1/2 2021	100 1/2	100 1/2	100 1/2
100 1/2 2022	100 1/2	100 1/2	100 1/2
100 1/2 2023	100 1/2	100 1/2	100 1/2
100 1/2 2024	100 1/2	100 1/2	100 1/2
100 1/2 2025	100 1/2	100 1/2	100 1/2
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100 1/2 2027	100 1/2	100 1/2	100 1/2
100 1/2 2028	100 1/2	100 1/2	100 1/2
100 1/2 2029	100 1/2	100 1/2	100 1/2
100 1/2 2030	100 1/2	100 1/2	100 1/2
100 1/2 2031	100 1/2	100 1/2	100 1/2
100 1/2 2032	100 1/2	100 1/2	100 1/2
100 1/2 2033	100 1/2	100 1/2	100 1/2
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100 1/2 2035	100 1/2	100 1/2	100 1/2
100 1/2 2036	100 1/2	100 1/2	100 1/2
100 1/2 2037	100 1/2	100 1/2	100 1/2
100 1/2 2038	100 1/2	100 1/2	100 1/2
100 1/2 2039	100 1/2	100 1/2	100 1/2
100 1/2 2040	100 1/2	100 1/2	100 1/2
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100 1/2 2042	100 1/2	100 1/2	100 1/2
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100 1/2 2044	100 1/2	100 1/2	100 1/2
100 1/2 2045	100 1/2	100 1/2	100 1/2
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100 1/2 2048	100 1/2	100 1/2	100 1/2
100 1/2 2049	100 1/2	100 1/2	100 1/2
100 1/2 2050	100 1/2	100 1/2	100 1/2
100 1/2 2051	100 1/2	100 1/2	100 1/2
100 1/2 2052	100 1/2	100 1/2	100 1/2
100 1/2 2053	100 1/2	100 1/2	100 1/2
100 1/2 2054	100 1/2	100 1/2	100 1/2
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100 1/2 2064	100 1/2	100 1/2	100 1/2
100 1/2 2065	100 1/2	100 1/2	100 1/2
100 1/2 2066	100 1/2	100 1/2	100 1/2
100 1/2 2067	100 1/2	100 1/2	100 1/2
100 1/2 2068	100 1/2	100 1/2	100 1/2
100 1/2 2069	100 1/2	100 1/2	100 1/2
100 1/2 2070	100 1/2	100 1/2	100 1/2
100 1/2 2071	100 1/2	100 1/2	100 1/2
100 1/2 2072	100 1/2	100 1/2	100 1/2
100 1/2 2073	100 1/2	100 1/2	100 1/2
100 1/2 2074	100 1/2	100 1/2	100 1/2
100 1/2 2075	100 1/2	100 1/2	100 1/2
100 1/2 2076	100 1/2	100 1/2	100 1/2
100 1/2 2077	100 1/2	100 1/2	100 1/2
100 1/2 2078	100 1/2	100 1/2	100 1/2
100 1/2 2079	100 1/2	100 1/2	100 1/2
100 1/2 2080	100 1/2	100 1/2	100 1/2
100 1/2 2081	100 1/2	100 1/2	100 1/2
100 1/2 2082	100 1/2	100 1/2	100 1/2
100 1/2 2083	100 1/2	100 1/2	100 1/2
100 1/2 2084	100 1/2	100 1/2	100 1/2
100 1/2 2085	100 1/2	100 1	

NEW YORK, March 2

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...enbrand	146	25	10

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Am. Can. Industries.....	+1.40	-0.04	St. Helena	128.00
Am. Trans. Ind. Co.....	0.00	0.00	South Vail	

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TEA AND RAW MATERIALS

Sri Lanka tea sales in London plan

COLOMBO, March 22. THE SRI LANKA Government has set up a committee to handle the continuation of tea sales to London.

A Government spokesman said it was necessary to set up a committee to handle the continuation of tea sales to London. The committee will be made up of representatives of the tea industry and the Government.

The Government does not wish to be seen to be interfering in the market, but it is necessary to ensure that the tea industry is able to continue to export its tea to London.

The annual target for tea exports to London has been set at 22.7m. kg. against 22.5m. kg. in 1975. The target for 1976 is 23.5m. kg. The Government is aiming to increase tea exports to 25m. kg. in 1976.

Indian storage problem after big grain yield

NEW DELHI, March 22. PROSPECTS of a bumper harvest of wheat in India have created a storage problem in the country.

The problem has been discussed by the Minister of Agriculture, who said that the Government was planning to build new storage facilities to handle the increased production.

The Government is also planning to increase the capacity of existing storage facilities. The Minister said that the Government was aiming to increase the storage capacity to 100 million tonnes by 1980.

Rise in coffee and cocoa prices

COFFEE PRICES climbed to record levels on the London market yesterday, despite a continued absence of clear "bullish" fundamental factors.

The May position reached 2911 a tonne at one stage before ending at 2875.50. The March position closed at 2807.50 a tonne.

The market opened quietly with most positions a few pence down reflecting the closing price of the week-end. The market then moved higher, with the May position reaching 2911 a tonne at one stage before ending at 2875.50. The March position closed at 2807.50 a tonne.

World prices

Cocoa prices also swept to new highs encouraged by currency and technical factors. The May futures position closed at 2798.75 a tonne, up 22, having exceeded 2800 during the day.

The rise was mainly based on concern over the delivery situation in the expiring March position and some dealers noted that fundamentals were still looking

New bacon contract should aid curers

BY RICHARD MOONEY

A NEW U.K. bacon pig contract offering prospects of better returns for Britain's curers was announced yesterday by FMC.

The main change in the contract, which was negotiated by FMC, representing the curers, and producer representatives, is a switch in the base price. From April 18, when the new deal comes into effect, contract prices will be calculated on the basis of the "average all pigs price" (AAP) instead of the former "average producer returns" (APR).

FMC claims the AAP will give "a truer average of producer returns" because it reflects the prices of the vast majority of U.K. pigs which are sold on a deadweight basis, whereas the APR depends heavily on auction market prices. The AAP, which includes a proportion of auction prices, will be

Upsurge in markets for metal ends

By John Edwards, Commodities Editor

THE RECENT upsurge in London metal prices halted yesterday, at least temporarily, as the steady tone of sterling brought quiet trading conditions.

Only zinc continued to move ahead on the London Metal Exchange following renewed rumours that a rise in the U.S. zinc domestic producer price was imminent. Cash zinc closed 56 higher at 2399.5 a tonne, despite a rise in LME warehouse stocks of 4,252 tonnes to 51,050 tonnes.

Copper stocks also rose, as expected, by 4,025 tonnes to a record total of 527,400 tonnes, emphasising that available supplies are still well ahead of demand.

Certificates

A technical working group has started a two-week series of meetings at the International Coffee Organisation (ICO) in London, reports Reuter.

The meetings—mainly at a technical level—will concentrate on establishing rules for certificates of origin. It was agreed in London in November that all exports under the 1976 International Coffee Agreement (ICA) would be covered by such certificates.

Delegates sources said the group must set rules both when quotas under the new ICA are in force and when they are not.

Low estimate

The average 1975 price on the London Metal Exchange was 15.7m. tons in the U.S. and 14.9m. in the rest of the world by the year 2000. On the other hand the low estimate provided by the U.S. Bureau of Mines would set the price at 16.6m. tons for the U.S. and 16.8m. tons for the rest of the world.

Much in the supply picture will depend, however, on technical

Australians ban wool exports

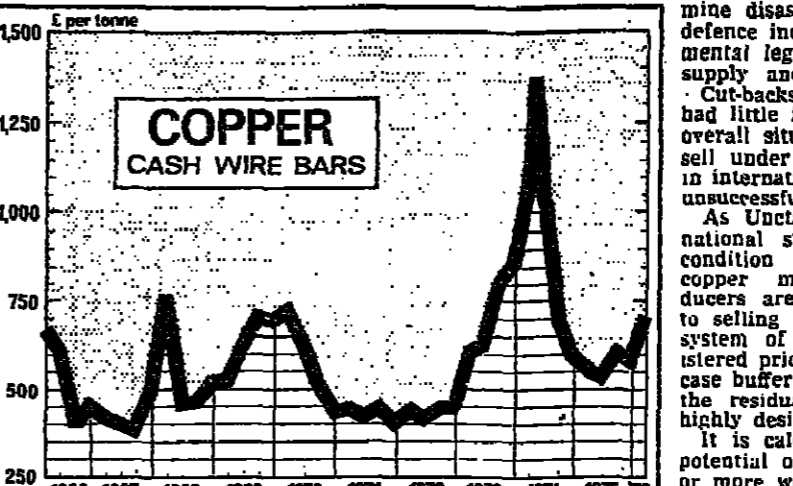
SYDNEY, March 22. WOOL storemen and packers at the Meat and Livestock Commission imposed a ban on the movement of wool to be delivered for export, trade sources said here.

But in Portland, Victoria, the men are not going along with the decision taken at meetings in Sydney.

The ban applies to most other centres, although movement of wool from stores in Brisbane, Adelaide and Melbourne has already been effectively stopped for the past two weeks by the men refusing to accept with-holdings of blanket dismissal notices.

New bid for copper pact

BY DAVID EGLI, GENEVA CORRESPONDENT



mine disasters, pre-emption for defence industries, and environmental legislation—on both the supply and the demand side.

Cutbacks in production have had little impact on the overall situation. Efforts to sell under firm price contracts in international trade have been unsuccessful.

As Untad sees it, an international stock is an absolute condition for stabilisation of copper markets unless producers are prepared to revert to selling under a co-ordinated system of contracts at administered prices. And even in this case buffer stock stabilisation of the residual market would be highly desirable.

Last resort

Export restrictions and production cutbacks should be seen as a policy of last resort, although it is felt that an agreement should include a policy of temporary export quotas to strengthen buffer stock operations where necessary.

Untad also favours the adoption of a multilateral trade commitment system. It argues that the large-scale operations in the industry, the geographical concentration of trade flows and the character of copper usage should make such commitments feasible as regards the calculation of requirements and output.

EEC skim milk plan attacked

CRITICISM of the EEC programme to use 400,000 tons of surplus skim milk powder as animal feed was levelled at the Commission yesterday by the Food and Agriculture Inter-Governmental group on oils, oils and fats.

The group stated that the EEC "should ensure that such action does not work to the detriment of exporting countries and that the price level of the international market is not depressed."

Peru anchovy outlook good

PERU'S ANCHOVY fishing season has got off to a good start and the start of the catch could exceed 6m. tonnes, fisheries sources said here.

Last year's catch was around 3m. tonnes, a sharp decline against catches of up to 12m. tonnes in previous years.

Trawler fleets unloaded an estimated 55,000 tonnes last week on the first full day of fishing after a ten-month interval which forced Peru to suspend exports of fishmeal.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS	Mar. 22	Mar. 21	Mar. 20
COPPER	2875.50	2807.50	2798.75
ZINC	2399.50	2399.50	2399.50
ALUMINUM	1575.00	1575.00	1575.00
LEAD	1100.00	1100.00	1100.00
NICKEL	1800.00	1800.00	1800.00
SILVER	240.00	240.00	240.00
GOLD	1000.00	1000.00	1000.00

FREIGHTS

DRY CARGO	Mar. 22	Mar. 21	Mar. 20
WHEAT	100.00	100.00	100.00
BARLEY	90.00	90.00	90.00
RYE	80.00	80.00	80.00
MAIZE	70.00	70.00	70.00
SUGAR	60.00	60.00	60.00
COFFEE	50.00	50.00	50.00

PRICE CHANGES

PRICE CHANGES	Mar. 22	Mar. 21	Mar. 20
WHEAT	100.00	100.00	100.00
BARLEY	90.00	90.00	90.00
RYE	80.00	80.00	80.00
MAIZE	70.00	70.00	70.00
SUGAR	60.00	60.00	60.00
COFFEE	50.00	50.00	50.00

U.S. Markets

U.S. MARKETS	Mar. 22	Mar. 21	Mar. 20
WHEAT	100.00	100.00	100.00
BARLEY	90.00	90.00	90.00
RYE	80.00	80.00	80.00
MAIZE	70.00	70.00	70.00
SUGAR	60.00	60.00	60.00
COFFEE	50.00	50.00	50.00

ART GALLERIES

ART GALLERIES	Mar. 22	Mar. 21	Mar. 20
WARREN WHEAT	100.00	100.00	100.00
WARREN WHEAT	90.00	90.00	90.00
WARREN WHEAT	80.00	80.00	80.00
WARREN WHEAT	70.00	70.00	70.00
WARREN WHEAT	60.00	60.00	60.00
WARREN WHEAT	50.00	50.00	50.00

CINEMAS (Cont.)

CINEMAS (Cont.)	Mar. 22	Mar. 21	Mar. 20
WARREN WHEAT	100.00	100.00	100.00
WARREN WHEAT	90.00	90.00	90.00
WARREN WHEAT	80.00	80.00	80.00
WARREN WHEAT	70.00	70.00	70.00
WARREN WHEAT	60.00	60.00	60.00
WARREN WHEAT	50.00	50.00	50.00

MEAT FUTURES

MEAT FUTURES	Mar. 22	Mar. 21	Mar. 20
WHEAT	100.00	100.00	100.00
BARLEY	90.00	90.00	90.00
RYE	80.00	80.00	80.00
MAIZE	70.00	70.00	70.00
SUGAR	60.00	60.00	60.00
COFFEE	50.00	50.00	50.00

Soybeans and cotton prices down

SOYBEANS AND COTTON	Mar. 22	Mar. 21	Mar. 20
WHEAT	100.00	100.00	100.00
BARLEY	90.00	90.00	90.00
RYE	80.00	80.00	80.00
MAIZE	70.00	70.00	70.00
SUGAR	60.00	60.00	60.00
COFFEE	50.00	50.00	50.00

COMMODITIES

COMMODITIES	Mar. 22	Mar. 21	Mar. 20
WHEAT	100.00	100.00	100.00
BARLEY	90.00	90.00	90.00
RYE	80.00	80.00	80.00
MAIZE	70.00	70.00	70.00
SUGAR	60.00	60.00	60.00
COFFEE	50.00	50.00	50.00

STEADY

STEADY	Mar. 22	Mar. 21	Mar. 20
WHEAT	100.00	100.00	100.00
BARLEY	90.00	90.00	90.00
RYE	80.00	80.00	80.00
MAIZE	70.00	70.00	70.00
SUGAR	60.00	60.00	60.00
COFFEE	50.00	50.00	50.00

SUGAR

SUGAR	Mar. 22	Mar. 21	Mar. 20
WHEAT	100.00	100.00	100.00
BARLEY	90.00	90.00	90.00
RYE	80.00	80.00	80.00
MAIZE	70.00	70.00	70.00
SUGAR	60.00	60.00	60.00
COFFEE	50.00	50.00	50.00

FINANCIAL TIMES

FINANCIAL TIMES	Mar. 22	Mar. 21	Mar. 20
WHEAT	100.00	100.00	100.00
BARLEY	90.00	90.00	90.00
RYE	80.00	80.00	80.00
MAIZE	70.00	70.00	70.00
SUGAR	60.00	60.00	60.00
COFFEE	50.00	50.00	50.00

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COCAOA

COCAOA	Mar. 22	Mar. 21	Mar. 20
WHEAT	100.00	100.00	100.00
BARLEY	90.00	90.00	90.00
RYE	80.00	80.00	80.00
MAIZE	70.00	70.00	70.00
SUGAR	60.00	60.00	60.00
COFFEE	50.00	50.00	50.00

GRAINS

GRAINS	Mar. 22	Mar. 21	Mar. 20
WHEAT	100.00	100.00	100.00
BARLEY	90.00	90.00	90.00
RYE	80.00	80.00	80.00
MAIZE	70.00	70.00	70.00
SUGAR	60.00	60.00	60.00
COFFEE	50.00	50.00	50.00

MOODY'S

MOODY'S	Mar. 22	Mar. 21	Mar. 20
WHEAT	100.00	100.00	100.00
BARLEY	90.00	90.00	90.00
RYE	80.00	80.00	80.00
MAIZE	70.00	70.00	70.00
SUGAR	60.00	60.00	60.00
COFFEE	50.00	50.00	50.00

STOCK EXCHANGE REPORT

Market awaiting outcome of Premiership vote

Index 3 points down at 391.3—Gilt-edged irregular

Account Dealing Dates

Option

First Declara-

Last Account

Dealing Dates

Mar. 8 Mar. 18 Mar. 23

Mar. 22 Apr. 1 Apr. 2 Apr. 13

Apr. 3 Apr. 13 Apr. 15 Apr. 28

Apr. 29 May 1 May 2 May 15

May 16 May 22 May 23 May 29

May 30 May 31 May 31 May 31

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Gilt-edged lacked direction

and closed with fractional movements

either way. The shorts opened

cautiously in view of the continuing

uncertainty about the political

situation pending the outcome of

the Premiership vote. Obviously,

a win by the Labour leftists would

initially have an adverse effect

on City sentiment and Mr.

Callaghan's favouritism in the

betting stakes is probably a fair

reflection of City appraisal of the

situation. Although buying was

virtually non-existent, selling also

was minimal and prices tended to

drift lower in the afternoon.

The F.T. 30-share index closed 3

points down at 391.3, the lowest

for two months.

It was also a poor day for the

debenture of four "rights" issues,

and may point to a touch of

indigestion from such offers during

this period of investment

restraint. Gilt and Duffus new

nil-paid opened at 33p premium,

and closed at 23p premium. De

La Rue started at 84p premium

and finished at 23p premium. Sun

Alliance began at 15p premium

and ended at 12p premium, while

Raine Engineering started at 21p

premium and finished at 21p

premium. Other secondary

equities reflected the easier trend

of the leaders. Falls led rises by

5-3 in F.T.-quoted Industrials,

while the F.T.-Actuaries All-Share

index declined 0.8 per cent to

160.89.

The major factor restraining

investment enterprise was the

uncertainty about the political

situation pending the outcome of

the Premiership vote. Obviously,

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ward 2 to 230p. Lloyds were un-

altered at 213p, after 210p.

Irregular price movements were

commonplace elsewhere. Edward

Bates improved 3 to 34p in Mer-

chant banks, but Mercury Securi-

ties and Kleinwort Benson were

that much lower at 115p and 107p

respectively. UBT were marked

up a penny to 27p following Press

comment in Hire Purchases.

Breweries drifted lower on lack

of support, with sentiment not

helped by news of the sharp drop

in beer production last January.

Arthur Guinness cheapened 2 to

125p, after 124p, and Scottish and

Newcastle were a penny off at

35p. Elsewhere, Arthur Bell

receded 3 to 153p.

Buildings had an uneventful

session. A.P. Cement shaded 2

to 184p ahead of to-day's pre-

liminary figures, while L. Fair-

clough, 212p, and Manders, 33p,

lost 3 apiece. R. C. C. reacted

to 225p, while other dull spots

included Francis Parker, 2 off at

31p, and the Australian-based

A. V. Jennings, 8 cheaper at 135p.

Against the trend, Bears Bros.

gained a penny at 32p following

news that one of its subsidiaries

has been awarded a £4.6m. Dover

hoverport contract.

Fleets continued a dull market,

the Ordinary losing 7 at 53p and

the new nil-paid shares closing 4

easier at 16p premium. ICI

retreated 4 further to 388p.

Television Contractors had a

couple of dull spots in Gramoph-

one and HTV, both of which

closed 3 easier at 25p and 6p

respectively.

Wool Tools, 122p, were all about

3 cheaper, but Glywedd, 102p,

and London and Midland Industri-

als, both eased that much. Week-

end Press comment caused British

International, 285p, Turner and

Stone-Platt, 107p, and Weir, 90p,

to be moved in front of to-day's

preliminary statements. Raine

went ex "rights" at 18p with the

new nil-paid shares at 23p pre-

mium, after 18p, and Duffus

Mining Supplies were ex scrip

issue at 24p, after 23p. Address

newspaper mention took Haw-

thorn Leslie down to 37p before

a close of 3 lower on the day

[illegible]



Former Wimbledon champion Jimmy Connors: he carries his sponsor's emblem on his racket.

TENNIS enthusiasts may soon notice a new stencil emblazoned across the strings of rackets alongside the now familiar S and D of Slazenger and Dunlop. Likely to join these two symbols, and the various others to be seen on tennis courts around the world, is an R, the initial letter of the world's biggest ski manufacturer, the French company Rossignol, whose intention to enter the tennis equipment market was announced at the end of last month.

The world's biggest ski manufacturer is to start making tennis racquets. It means increased rivalry in a market where annual sales are estimated to be rising by 20 per cent. Rhys David reports

New strings in a tennis challenge

15-20 per cent a year in recent years to reach a 1975 total of Fr.230m. (£26.1m.). Overseas sales account for 75 per cent of this and, according to the company, one in every five skis bought—or perhaps it should be two out of every ten—are made by Rossignol.

The ski market has itself been growing at 10 to 12 per cent a year, though it has run into some problems recently. Mild winters in Europe, for example, have had an effect in reducing opportunities for skiing, while the recession too has slowed the rate of market growth. These alone provide part of the reason for Rossignol's diversification. In addition there is an obvious attraction in having a major summer sport to balance skiing—and for this tennis is the ideal partner. The company estimates that some 80 per cent of skiers have also played tennis, so it will start with its brand identity and its symbol—a big red R—already well known to a large part of its potential market.

Rapid growth

Furthermore, tennis has increased in popularity even faster than skiing in recent years, with the market for equipment rising at an estimated 20 per cent a year. The Dunlop Maxply is one of the best-selling racquets in the

world, and International Sports exports some 75 per cent of its overall production to 140 markets around the world. Apart from International Sports, the big names include Wilson, manufacturers of a wide range of sporting goods, acquired by PepsiCo from Ling-Temco-Vought, the Dallas-based conglomerate in 1970; Spalding, another U.S. concern; and Dunlop, a Belgian company closely linked with Wilson. Spalding, which used to manufacture in Northern Ireland, has links with another Belgian company, Snaawaert, and has an agency agreement with the British sports manufacturer, Gola. There is still a large number of smaller independent concerns throughout Europe, like Grays of Cambridge, one of the best known, as well as other specialist companies vying for a place in the market. The Far Eastern producers—India, Pakistan, Japan, and Taiwan—also have a major presence in most markets, competing mostly at the cheap end but gradually moving up-market to challenge the established manufacturers.

The British equipment producer, International Sports, a Dunlop subsidiary which embraces the Dunlop and Slazenger racquet and ball brands (and has interests in golf and other sporting fields), is also a major force on the world market. The Dunlop Maxply is one of the best-selling racquets in the

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The U.K. market is also an indication of the sort of competition Rossignol is likely to find in a number of markets. U.K. tennis racquet sales last year are put at about 1.2m. racquets, but only around half of this total

is thought to have been high quality racquets suitable for serious tennis. Of those Dunlop and Slazenger reckon to have about 40 per cent of the market, with smaller independent concerns having less than 10 per cent, and imports, principally from the Far East but also from the U.S. and Europe, holding the remainder. Altogether, around 40 companies supply the U.K. market.

New plant

In tennis balls, where Slazenger and Dunlop have held on to a bigger share of the U.K. market, competition is also on the increase. The major U.S. manufacturer, General Tire, for example, opened a plant within the last year in the Republic of Ireland to manufacture its Penn brand balls. Other major competitors include Spalding and the Swedish company, Tretorn.

Dunlop itself has recently gone into ball manufacture in the U.S., and also has factories making balls, racquets or both in Australia, South Africa, New Zealand, Japan, France and West Germany.

As well as pitting its marketing skills alongside such giants as Dunlop and Pepsi-Cola, Rossignol will also be joining

the list of companies which have based their entry into the tennis equipment market on new materials rather than the traditional wood. The late 1960s saw the appearance on courts around the world of racquets made of steel, aluminium, fibre glass, and other materials, which at one time seemed likely to pose a major threat to the traditional wooden racquet.

Despite extensive marketing, however, the metal racquet has failed to perform, commercially, as expected. The racquets were initially much more expensive than comparable wooden ones, and marketed with the claim that they would not need such frequent replacement.

In practice, however, some racquets have suffered from metal fatigue. In addition, some have proved less comfortable to use than their wooden rivals. Whereas a wooden racquet absorbs much of the impact energy when a ball is hit, the metal racquet has been found in many cases to transmit more of this force to the forearm and elbow.

The limited success of the metal racquet has been one reason why the big U.S. companies have turned to Europe for the continued manufacture of wooden racquets bearing their imprint. Carbon fibre racquets have been more successful, but at a price several times that of comparable wooden ones.

Ski technique

Rossignol will be manufacturing a composite material made of metal and glass fibre, using a technique derived from Davis Cup players, to produce racquets of this type. It is also its ski rivals, up some leading players like Fischer of Austria and Head of the U.S., both of which have moved into tennis racquets, that it seems possible that a com-

posite racquet of this type will have many of the characteristics of wood, but the materials rather than the traditional wood. The late 1960s saw the appearance on courts around the world of racquets made of steel, aluminium, fibre glass, and other materials, which at one time seemed likely to pose a major threat to the traditional wooden racquet.

Another important factor likely to be Rossignol's success in securing sponsorship of leading professionals who can obtain exposure in front of huge television audiences. Here, however, signal will not have the advantage it enjoys with where most of the top players are Continental.

Sponsors

On the sponsorship front, Dunlop has traditionally been a major force. The arrival of new competitors, however, has seen Dunlop's position here. Each new entrant has caused some big sums to be paid to well-known names, the position of top tournament players using Dunlop's product dropped from about one-fifth of the total to around 10 per cent last year. Thus, Nastase has switched from Dunlop to Adidas, while the metal racquets were popular with Billie Jean King. Among names which have been successful, but at a price several times that of comparable wooden ones, are Wilson, equipment in years have been Jimmy C. and Chris Evert. Dunlop remains strong on the west side, with Evonne Cawley, Virginia Wade, and is big strength in its men's side.

NOTICE OF REDEMPTION

to the Holders of

The Japan Development Bank

Fifteen Year 5 1/2 % Guaranteed External Loan Bonds
Due October 15, 1979

NOTICE IS HEREBY GIVEN that Seven Hundred Forty Five Thousand and 184,000, principal amount of The Japan Development Bank, Fifteen Year 5 1/2 % Guaranteed External Loan Bonds, due October 15, 1979, are being redeemed on April 15, 1976.

COUPON BONDS

21	1715	2530	5451	7181	8874	11518	12863	15187	16808
22	1711	2528	5447	7177	8870	11514	12859	15183	16804
23	1707	2524	5443	7173	8866	11510	12855	15179	16800
24	1703	2520	5439	7169	8862	11506	12851	15175	16796
25	1699	2516	5435	7165	8858	11502	12847	15171	16792
26	1695	2512	5431	7161	8854	11498	12843	15167	16788
27	1691	2508	5427	7157	8850	11494	12839	15163	16784
28	1687	2504	5423	7153	8846	11490	12835	15159	16780
29	1683	2500	5419	7149	8842	11486	12831	15155	16776
30	1679	2496	5415	7145	8838	11482	12827	15151	16772
31	1675	2492	5411	7141	8834	11478	12823	15147	16768
32	1671	2488	5407	7137	8830	11474	12819	15143	16764
33	1667	2484	5403	7133	8826	11470	12815	15139	16760
34	1663	2480	5399	7129	8822	11466	12811	15135	16756
35	1659	2476	5395	7125	8818	11462	12807	15131	16752
36	1655	2472	5391	7121	8814	11458	12803	15127	16748
37	1651	2468	5387	7117	8810	11454	12799	15123	16744
38	1647	2464	5383	7113	8806	11450	12795	15119	16740
39	1643	2460	5379	7109	8802	11446	12791	15115	16736
40	1639	2456	5375	7105	8798	11442	12787	15111	16732
41	1635	2452	5371	7101	8794	11438	12783	15107	16728
42	1631	2448	5367	7097	8790	11434	12779	15103	16724
43	1627	2444	5363	7093	8786	11430	12775	15099	16720
44	1623	2440	5359	7089	8782	11426	12771	15095	16716
45	1619	2436	5355	7085	8778	11422	12767	15091	16712
46	1615	2432	5351	7081	8774	11418	12763	15087	16708
47	1611	2428	5347	7077	8770	11414	12759	15083	16704
48	1607	2424	5343	7073	8766	11410	12755	15079	16700
49	1603	2420	5339	7069	8762	11406	12751	15075	16696
50	1599	2416	5335	7065	8758	11402	12747	15071	16692
51	1595	2412	5331	7061	8754	11398	12743	15067	16688
52	1591	2408	5327	7057	8750	11394	12739	15063	16684
53	1587	2404	5323	7053	8746	11390	12735	15059	16680
54	1583	2400	5319	7049	8742	11386	12731	15055	16676
55	1579	2396	5315	7045	8738	11382	12727	15051	16672
56	1575	2392	5311	7041	8734	11378	12723	15047	16668
57	1571	2388	5307	7037	8730	11374	12719	15043	16664
58	1567	2384	5303	7033	8726	11370	12715	15039	16660
59	1563	2380	5299	7029	8722	11366	12711	15035	16656
60	1559	2376	5295	7025	8718	11362	12707	15031	16652
61	1555	2372	5291	7021	8714	11358	12703	15027	16648
62	1551	2368	5287	7017	8710	11354	12699	15023	16644
63	1547	2364	5283	7013	8706	11350	12695	15019	16640
64	1543	2360	5279	7009	8702	11346	12691	15015	16636
65	1539	2356	5275	7005	8698	11342	12687	15011	16632
66	1535	2352	5271	7001	8694	11338	12683	15007	16628
67	1531	2348	5267	6997	8690	11334	12679	15003	16624
68	1527	2344	5263	6993	8686	11330	12675	15000	16620
69	1523	2340	5259	6989	8682	11326	12671	14996	16616
70	1519	2336	5255	6985	8678	11322	12667	14992	16612
71	1515	2332	5251	6981	8674	11318	12663	14988	16608
72	1511	2328	5247	6977	8670	11314	12659	14984	16604
73	1507	2324	5243	6973	8666	11310	12655	14980	16600
74	1503	2320	5239	6969	8662	11306	12651	14976	16596
75	1499	2316	5235	6965	8658	11302	12647	14972	16592
76	1495	2312	5231	6961	8654	11298	12643	14968	16588
77	1491	2308	5227	6957	8650	11294	12639	14964	16584
78	1487	2304	5223	6953	8646	11290	12635	14960	16580
79	1483	2300	5219	6949	8642	11286	12631	14956	16576
80	1479	2296	5215	6945	8638	11282	12627	14952	16572
81	1475	2292	5211	6941	8634	11278	12623	14948	16568
82	1471	2288	5207	6937	8630	11274	12619	14944	16564
83	1467	2284	5203	6933	8626	11270	12615	14940	16560
84	1463	2280	5199	6929	8622	11266	12611	14936	16556
85	1459	2276	5195	6925	8618	11262	12607	14932	16552
86	1455	2272	5191	6921	8614	11258	12603	14928	16548
87	1451	2268	5187	6917	8610	11254	12599	14924	16544
88	1447	2264	5183	6913	8606	11250	12595	14920	16540
89	1443	2260	5179	6909	8602	11246	12591	14916	16536
90	1439	2256	5175	6905	8598	11242	12587	14912	16532
91	1435	2252	5171	6901	8594	11238	12583	14908	16528
92	1431	2248	5167	6897	8590	11234	12579	14904	16524
93	1427	2244	5163	6893	8586	11230	12575	14900	16520
94	1423	2240	5159	6889	8582	11226	12571	14896	16516
95	1419	2236	5155	6885	8578	11222	12567	14892	16512
96	1415	2232	5151	6881	8574	11218	12563	14888	16508
97	1411	2228	5147	6877	8570	11214	12559	14884	16504
98	1407	2224	5143	6873	8566	11210	12555	14880	16500
99	1403	2220	5139	6869	8562	11206	12551	14876	16496
100	1399	2216	5135	6865	8558	11202	12547	14872	16492

The Bonds called for redemption will become due and payable on April 15, 1979, at the full principal amount. The holders of the above Bonds should present them for redemption on April 15, 1979, with the Coupons 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 25

FINANCIAL TIMES SURVEY

Tuesday, March 23 1976

IRELAND

Even with the hallmark of membership of the European Community, Ireland, for all its economic progress of recent decades, is still a nation facing serious problems. Recession has hit it badly, the industrial base remains narrow, and never far away is the shadow of the IRA and the Northern Ireland violence.

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Giles Merritt

Correspondent

SCARCELY seems credible, at Ireland to-day, that years ago the Republic's best of continued independence were being fiercely jeered. Thirty-five years into the past, leaders like Mr. De Valera, who was in 1939, take over the premiership from Mr. Eamon de Valera, warning that the country's economic fallings could force it into the United Kingdom.

was, of course, the sort of politicians raise to win elections, and in 1957 slipped to do just that for a Fianna Fail. But even in 1976, Ireland a secure and much-acted member of the EEC, and looking and Europeanised, the relationship with Britain is wary, or say touchy.

ily painted Georgian door, in elegant square, sandy red, whitewashed cottages,

dark mountains, soft bogs, they all add up to the instantly recognisable Emerald Isle of the Irish Tourist Board. But Ireland, thank her many Saints, is not like that.

In many ways, Ireland is more an idea than an entity. To the unpractised eye of an American or European visitor, its outward appearance—from advertising hoardings, to traffic, to council estates—are those of mainland Britain. Much the same could be said of Canada in relation to the U.S., or Belgium to France, but that is to confuse an already complex situation unnecessarily. Ireland's struggle to establish its separateness against heavy economic and social odds is the continuing fight to underline its individuality. Needless to say, the exact definition of what Ireland is, is argued interminably by the Irish themselves.

Superficially, the picture is simple enough. The Irish Republic occupies most of a large island—more than enough, by any standards, to sustain a population of 3m.—and against the context of the last century or so is nowadays remarkably prosperous. Its agriculture feeds not just itself and a good portion of the British, but increasingly contributes to the needs of the European community. Farming is the main industry and is treated with serious efficiency. Long gone are the days when Blarney, it is said, was able to gibe: "If Ireland were given to the Dutch, within a year it would feed the world. If Holland were given to the Irish, it would sink in a week."

Industrially, Ireland has developed out of all recognition and in the last 15 years has achieved an industrial growth rate that has switched a growing proportion of jobs away from the land to the new factories. In the main, attractive foreign investment incentives have been responsible for this, and it is new businesses from abroad that have lifted industrial export earnings from the 1960 level of only £71m. to today's figure of approaching £700m., accounting as they do for around half the total.

Standards

On the whole the Irish have greeted this relatively sudden metamorphosis with enthusiasm. There is now net immigration with the return of former expatriates, and other than in the rural hinterlands of the West, living standards are no longer so far from the British norms.

Not surprisingly, there are snags. Ireland, like Britain, though for almost opposite reasons, lives beyond its means. It has discovered the expensive tastes of an industrial nation without yet having developed sufficiently to afford them. The economy is in poor shape, badly strained by soaring State expenditure aimed at providing proper welfare and social services and, through public sector employment, offsetting the effects of a world-wide recession that has hit Ireland hard. Last year, GNP dropped 3 per cent, and joblessness continues to grow.

As a result, the three-year even treated his Cabinet colleagues with the unbending Government of Mr. Liam Cosgrave is headed for a demagogic political opponents. Last year, showdown with the Republic's without saying a word before

90 trade unions over their refusal to accept a voluntary pay pause this year. Unless the headline positions adopted by both sides soften into compromise, with the Government at least prepared to discuss price controls and the unions meaningful wage restraint, the coming clash could mean widespread strike disruptions and even a general election well in advance of that scheduled for two years from now. Mr. Cosgrave's working majority in the Dail (Parliament) relies on Labour seats, and they could be a Trojan Horse.

As things stand, the conflict between organised labour representing half Ireland's workforce of nearly 1m., and Government makes the relationship between Britain's counterparts, and the wages policies negotiated by successive British Governments, seem models of tolerance and flexibility. Toughness is a hallmark of the Cosgrave Government.

Liam Cosgrave is himself a dour, authoritarian figure: a politician with a reputedly elephantine memory for slights (and favours, too) who neither gives nor asks for quarter. His Cabinet, at first inexperienced after years in the wilderness of Fianna Fail rule, is much of it talented and some of it brilliant. But Mr. Cosgrave's no-nonsense approach to Government determines its collective image, even if he himself is often little in evidence.

At times, Mr. Cosgrave has even treated his Cabinet colleagues with the unbending Government of Mr. Liam Cosgrave is headed for a demagogic political opponents. Last year, showdown with the Republic's without saying a word before

hand, he walked into the "no" lobby to help defeat a Government-sponsored, though free from the Government on the Northern Ireland question with its new policy of demanding a British declaration of intent to withdraw from Northern Ireland, the Cosgrave Government has pushed through a "fugitive offenders" law that will enable terrorists to be tried in the South for crimes committed in the U.K. It may be second best to extradition, as Northern Ireland Secretary Mr. Merlyn Rees has complained, but if cleared by the Supreme Court on the question of its constitutionality, it should put a stop to charges that the Republic is a "safe haven" for the IRA. At the same time, much stiffer jail sentences are soon to be introduced for IRA membership, possibly around five years as against the present maximum of two.

The Dublin Government believes that support for IRA activity in the South is now at its lowest for many years. How true that is it hard to tell. Sympathy, with all its degrees ranging from active support to passive acceptance, is one of the grey areas of Irish life. Over and above the Republic's natural concern for the 1m. Catholic minority in the North—a concern that the Government recognises could boil over into civil war if the Catholic community were attacked by the 1m. strong Protestant majority—there is a gut feeling that the British have as little business to be in Northern Ireland as formerly they had in the South. In theory, all three major political parties in Ireland sub-

Harder

The Government recognises that the IRA is a long-term threat to democracy in the Republic. And contrary to the widely-held opinion in Britain that the Irish authorities support the fight against the IRA, Dublin has adopted a harder line than Whitehall. The British Government's policy of maintaining secret contact with the Provos is a major bone of contention between the two Governments, for Dublin maintains that talking to them gives them political status.

Against a good deal of political opposition, for Fianna Fail is moving steadily away from the Government on the Northern Ireland question with its new policy of demanding a British declaration of intent to withdraw from Northern Ireland, the Cosgrave Government has pushed through a "fugitive offenders" law that will enable terrorists to be tried in the South for crimes committed in the U.K. It may be second best to extradition, as Northern Ireland Secretary Mr. Merlyn Rees has complained, but if cleared by the Supreme Court on the question of its constitutionality, it should put a stop to charges that the Republic is a "safe haven" for the IRA. At the same time, much stiffer jail sentences are soon to be introduced for IRA membership, possibly around five years as against the present maximum of two.

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scribe to the ideal of a reunified island.

On the other hand, the Republic prizes its own peacefulness. Even if Republican ideals are largely responsible for seven years of chronic Northern Ireland crisis, the South is often inclined to view the Northern mess with smug detachment. Violence 100 miles away is a long way away. On an economic plane, realists are under no illusions that reunification would be ruinous if Ireland were forced to match British welfare standards, for example. Many Irishmen share the popular British daydream of a Northern Ireland that could be neatly sawn-off and allowed to float away into the Atlantic.

Nationalism

Clearly, the Irish Government treads a tight rope. It encourages certain forms of nationalism, such as the Irish language (in the face of a general indifference), to stress Ireland's individual character. At the same time, it stamps heavily on any attempts to rock the boat of prosperity or undermine its international responsibility. The task is made easier by the conflicting pressures exerted by the two main expatriate communities. Dublin is often uncomfortably sandwiched between misguided Irish-American support and sustenance of IRA "freedom fighters" and the 1.5m. Irish who as its presidency of the EEC Council of Ministers admitted who are determined that their it to a centre-stage position and,

BASIC STATISTICS	
Area	27,136 square miles
Population	2,978,248
GNP (estimated) for 1975	£3,623m.
GNP per capita (estimated)	£1,218.8m.
Official reserves (end Jan., 1976)	£727.2m.
Trade (1976)	
Total imports	£1,699.3
Total exports	£1,440.4
Imports from U.K.	£827.9m.
Exports to U.K.	£780.6m.

lives should not be compromised.

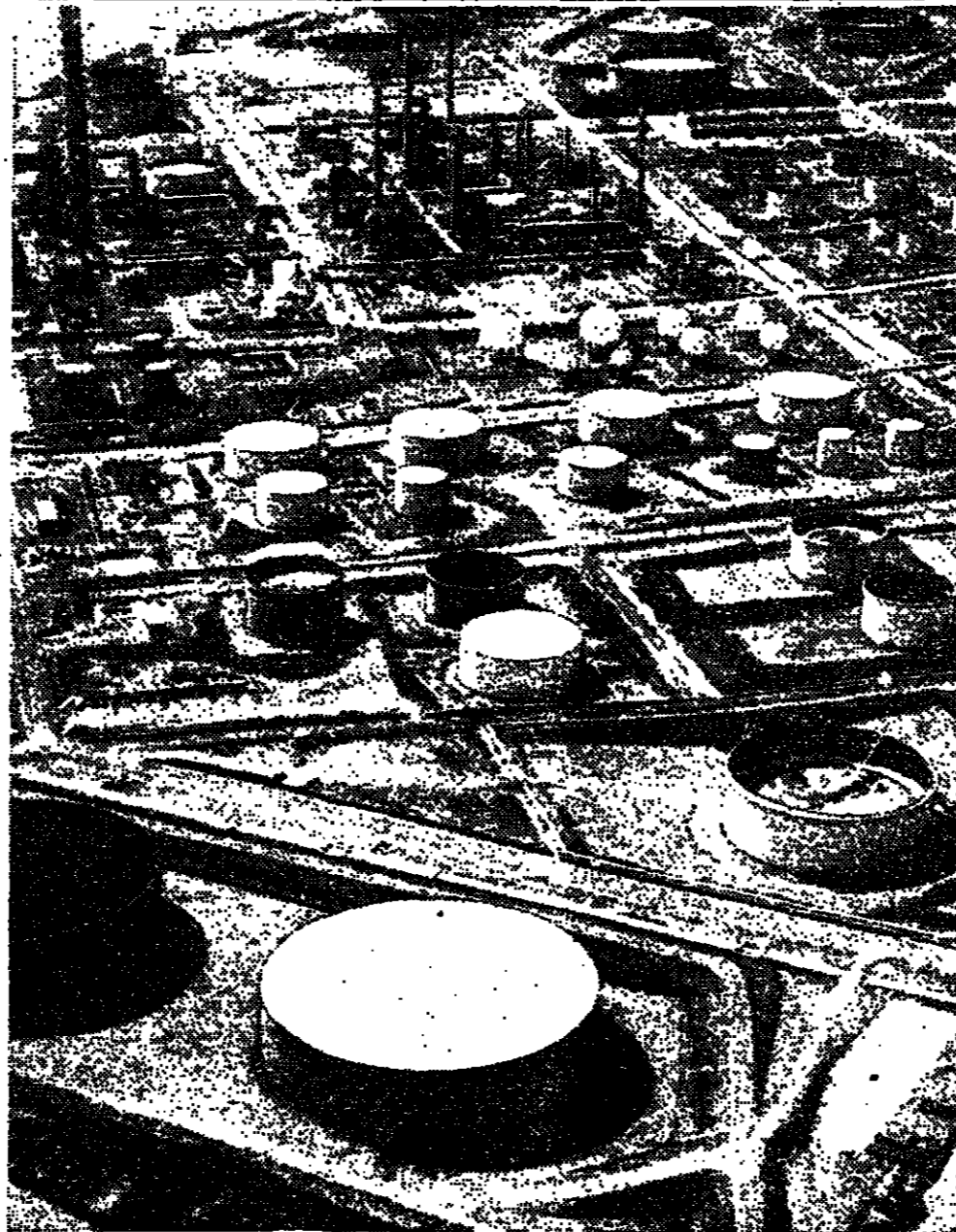
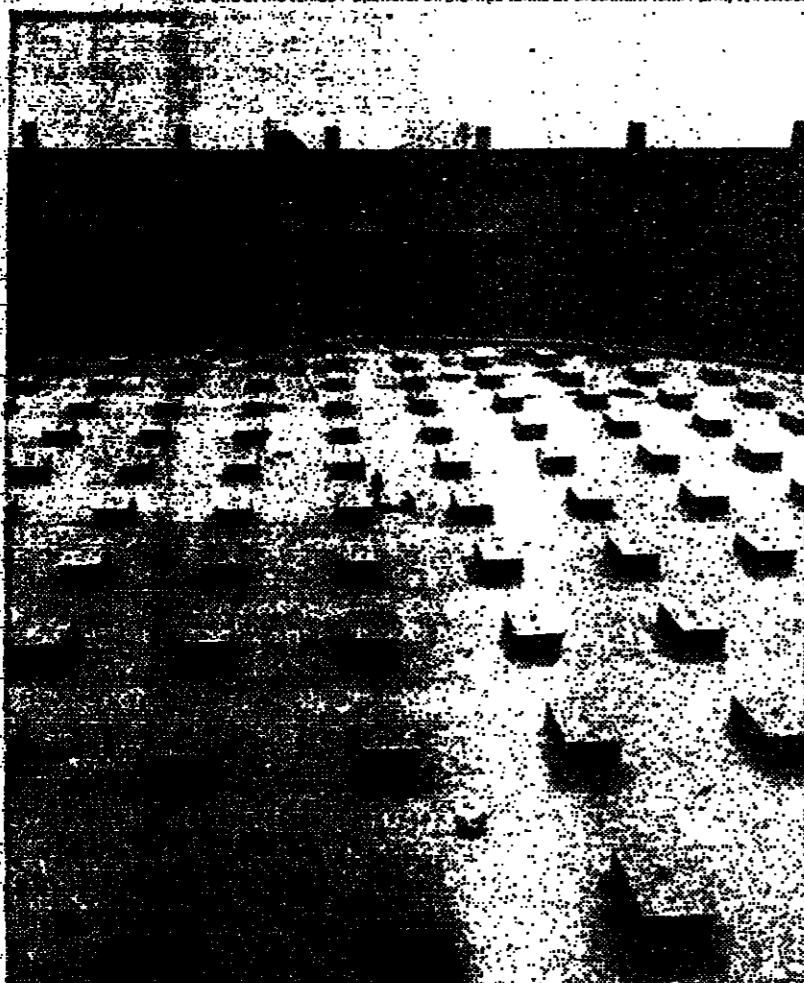
The Northern Ireland question occupies a disproportionate amount of the Irish Government's time, and ensures that the bilateral relationship with Britain is of greater importance than Ireland would probably wish. Although the Republic is inevitably an economic satellite of the U.K.—well over half of its exports are to Britain, two-thirds of imports are British (in the face of a general indifference), the pound gives the Chancellor strategic powers denied to the Irish Finance Minister—Dublin is keen to free itself from the British orbit.

Lately with considerable success the EEC has provided Ireland with an international dimension and it has seized on it avidly. In marked contrast to Britain, on whose coat-tails it joined the Community, Ireland has emerged as an exemplary European. A year ago its presidency of the EEC Council of Ministers admitted who are determined that their it to a centre-stage position and,

CONTINUED ON PAGE III

Tankage and spheres at Amoco Refinery, Milford Haven.

Aerial shot of the "Buoyrock" and its pontoons. For one of the ten 304 diameter oil storage tanks at Greatham Tank Farm, Teesside.



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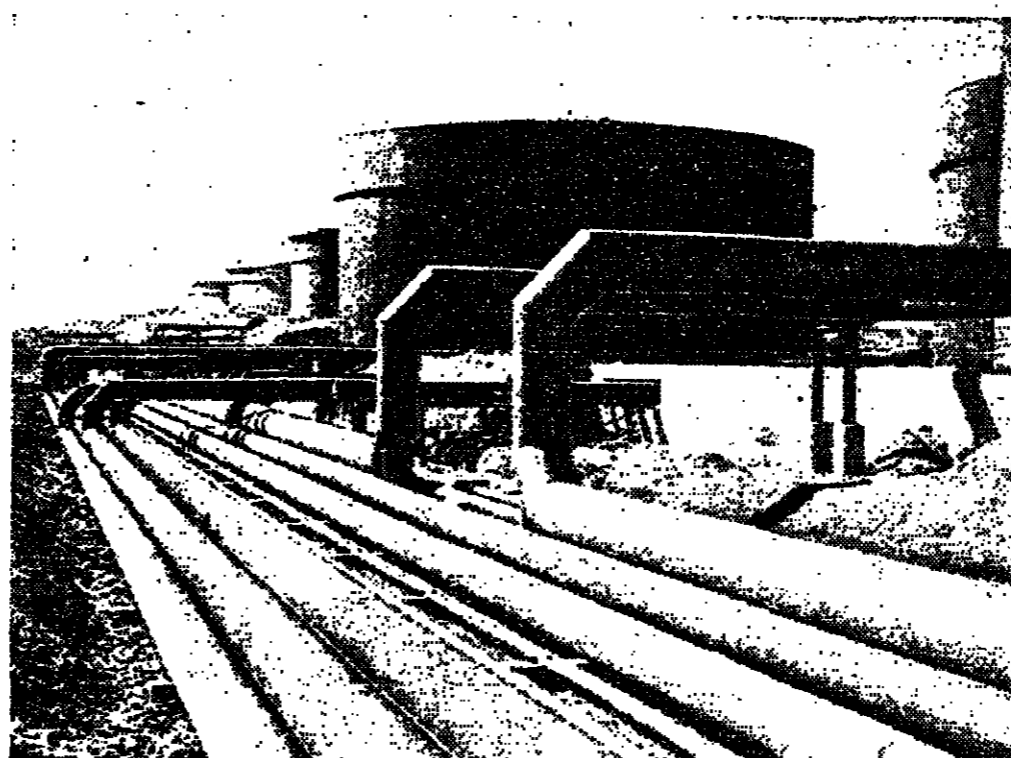
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IRELAND II

Economy in the doldrums

DUBLIN'S newspapers know a good row when they see one. The country's economic travails have lately been getting the full treatment. "No way, Richie!" headlined one, shortly after Finance Minister Mr. Richie Ryan asked the trade unions to agree to a voluntary pay pause while simultaneously unveiling his savage January Budget.

Since then the headlines have been in similar, if less punchy, vein. "Fare rise rocks pay pause," has been followed by "Price rises dash pay pause hopes." The overall theme is the same: Mr. Ryan's Budget put an extra 5p in the pound on consumer prices and levied an extra £100m-plus in direct taxation. Ireland's 440,000 unionised workers are ill-disposed towards being squeezed between continuing inflation and a wages freeze.

As a result, the pay pause "until at least the end of 1976" that Prime Minister Mr. Liam Cosgrave called for last December is no nearer after three months haggling. Yet the blocking of wage levels is, claims the Government, increasingly vital to the Republic's economic health, and Mr. Cosgrave's Ministers have now begun to make menacing noises that a statutory freeze is under consideration. No one really believes them because such a move would be political suicide. The Labour backbenchers responsible for the Fine Gael-Labour coalition's small Daily majority would defect and the Government would fall.

The problem is that the 90 unions that make up the Irish Council of Trade Unions do not accept the Government's arguments for a pay pause, over-riding a 28 per cent. in value, with

seem to be. When the 1975-76 national wage agreement expires in mid-year, having probably raised wages by a total 11 per cent. during the first two quarters of 1976, the unions would wish for a similar index-linked deal to go into effect for 1976-77.

The Government, backed enthusiastically by the employers, is painting a sombre picture of Ireland's future if these demands are met. Exports, warns Mr. Cosgrave in an unprecedented series of broadcasts and speeches for one normally so taciturn, would soon become dangerously uncompetitive. His calculation is that unless a pay pause rules out wage increases in the second half, Ireland's target of an overall inflation rate for this year of 12 per cent. - as against 21 per cent. in 1975 - would be missed and the rate would hit at least 15 per cent. To date, it is still nudging 20 per cent.

Unemployment

Meanwhile Britain, which last year records having taken £920m. of Ireland's £1,440m. total exports, could possibly be heading towards single figure inflation and the fear is that Irish goods would be progressively priced out of the U.K. market. Were that to happen, the Government continues to exclaim, the country's already grave unemployment level of around 13 per cent. could go another 13 per cent. still, with joblessness well above the current 117,000 mark.

And it is true that a second bad year for exports would have serious implications. Last year, thanks chiefly to price increases, Ireland's foreign trade rose 28 per cent. in value, with

the buoyancy of agricultural exports disguising the fact that industrial exports actually dropped almost 5 per cent. in volume. Industrial output fell 7 per cent. and, again, only agriculture kept the overall slide in GNP to 3 per cent.

Ireland's economic doldrums were such that falling demand at home sliced 10 per cent. off the import bill, producing a deceptively cheering balance of payments picture for 1975 in which the chronic deficit narrowed dramatically to £30m. from the 1974 figure of £800m. As part of its carrot-and-stick approach to the pay pause problem, the Government's Coras Trachtála export authority has confirmed that loss of competitiveness was a "root cause" of poor exports in 1975 but forecast that if this were to be reversed then this year's foreign exchange earnings should be up 25 per cent. to £1.5bn. In the meantime, the latest figures show a 4 per cent. drop in value for all of January's exports.

The Government's attitude is one of sound economic sense, and it has so far succeeded in presenting the trade unions in an unflattering and irresponsible light. But the unions are convinced that one of Mr. Ryan's chief reasons for demanding a pay pause is his desire to balance the State's books.

Even the smallest rises in wage levels would cost the public sector an estimated £70m., while the Government is concerned that any weakness on its part now could lead to a substantial rise in the public wage bill. As the State sector employs getting on for half the Republic's 1m. workforce, the result would be a State deficit

dangerously nearing £1bn. during this year alone.

For even if the Government could engineer a total wages freeze, public service pay will cost £532m., and any increase would be tacked directly on to the State's scheduled operating deficit for 1976 of £327m.

Explosion

Partly as a result of its efforts to pump-prime the economy and offset the worst effects of the recession, and partly to fulfil a social services programme aimed at coping with the population explosion that will have pushed the population from 3m. to 3.5m. by 1985, the Cosgrave Government last year went on a State spending spree. The results have been controversial to say the least, and even though the 1976 expenditure totals have been cut back to £2.1bn. from a planned £2.7bn. - which means the State will spend only 25 per cent. more than last year, rather than 40 per cent. more - State borrowing is rising to unheard-of new heights.

Although Mr. Ryan's tough Budget managed to curb the State's 1976 borrowing requirement slightly to £675m., rather than the £835m. which was the pre-Budget figure and which would have entailed a 40 per cent. rise over the previous year, there is increasing concern over the level of State spending in Ireland. Total Government indebtedness is over £3bn. and public expenditure accounts for 58 per cent. of GNP, rather than the 42 per cent. of three years ago when Mr. Cosgrave's coalition took office.

The figures make grim reading. Even at its most optimistic

Ireland can hope for only a 2 per cent. GNP increase this year, and if the early indicators now are any guide, that will require a considerable upturn in the latter half. Surveys published this month showed that in January 82 per cent. of companies complained of insufficient demand; unemployment is expected to rise further, and although there have been slight increases in production, no sustained improvement is forecast in the coming months.

As a result, Mr. Ryan has limited recourse to foreign borrowing. At the end of last year he intimated that Ireland's creditworthiness abroad was being questioned and, indeed, the latest major loan negotiated comes with some stiff strings attached. It is a £150m. five-year EEC loan which stipulates that Government borrowing as a proportion of GNP must be halted this year and subsequently reduced, and that this borrowing should in future be financed as much as possible by such means as placing long-term securities with the public in Ireland, so closely linked to the City of London, that is much easier said than done.

A third condition, and this brings the hapless Mr. Ryan's full circle back to his pay pause problem, was apparently the refusal to negotiate a 1976 national wage agreement, he will blandly refuse all further pay demands in the public sector, hoping that private industry will follow suit. Not long ago he stressed that he will not approve any increases in the Budgets allocated to Government departments or State bodies; therefore there can be no pay rises. It is a dangerous game, for the unions' natural defence is their strike weapon. Massive industrial action would not only upset the economic calculations, it could cast a menacing shadow over the Government's chances of survival.

Giles Merritt

Farming the mainstay

IRELAND IS primarily a food force of 1.1m. people are engaged in farming. In addition, a substantial number of people earn their living from food processing, the manufacturing of agricultural inputs and the provision of services for the industry.

Over 40 per cent. of total domestic exports are now made up of agricultural products. Last year, agricultural exports brought in £600m., reflecting the buoyancy in the industry. In 1974, when output and incomes were depressed, exports were worth only £393m.

The long growing season for grass has led to the predominance of grass-based production - beef and milk products. The cattle industry, in particular, occupies a dominant position and has a pervasive effect on the whole economy. Clear evidence of this was provided in 1974 when cattle prices dropped to their lowest level for almost 40 years. The economy is still recovering from the effects of that recession.

At the moment the national herd of 7m. cattle is dominated by the dual-purpose Friesian but the Hereford is quite popular for beef production. Continental breeds have also been making an increasing impact in recent years.

The volume of cattle disposals in 1975 is estimated at 2.18m., an increase of 29 per cent. on 1974 and probably an all-time record. More than half the cattle were processed by meat plants while the remainder were exported live to Britain, Northern Ireland, Europe and Africa.

Dependence

When Irish farmers voted almost unanimously to join the EEC, they saw the result as a chance to reduce a long-standing and not very profitable dependence on the British market.

Membership of the Common Market has, of course, provided new export opportunities, but it has not greatly affected the traditional flow of Irish store cattle to Britain. Last year British farmers took 460,000 head of cattle, most of them for further feeding. In the same period 165,000 cattle were shipped to the other EEC countries.

The sharp fluctuation in cattle prices between 1974 and 1975 affected farmers in different ways. The most serious losses were incurred on the small, poor farms along the west coast which concentrate on cattle and sheep rearing. They had sold off their young stock at giveaway prices (dropped calves were disposed of at between 25 and £10) before the recovery occurred. A time of depression is also a good time for making money on cattle, and in this case the benefits went to the larger, than-average farms along the central limestone plains which are given over to the fattening of cattle and sheep and the rearing of useful thoroughbred horses. In many cases the rewards were quite astronomical. Even the official records show that the average price for cattle in the final quarter of 1975 was 63 per cent. greater than in the corresponding period of 1974.

While the growth in the volume of cattle sales was dramatic last year it was achieved at the expense of a considerable reduction in cattle stocks. The high level of cow slaughtering and exports of young cattle, which made a significant contribution to overall earnings, reduced cattle numbers by 9 per cent. at the end of the year.

Decline

Because of the decline, the Government is coming under increasing pressure to ban the export of young stock. Those seeking the new restrictions point out that the 100,000 calves exported to Italy last year for £3.5m. would have been worth £33m. if they had been held in Ireland until 1977. They also make the case that instead of providing the British, Italian and Belgian farmers with raw materials, this young stock should, instead, constitute the basis for an expansion of Irish production, an increase in the revenue generated from agriculture, a growth in food processing and ancillary industries, and a much needed increase in employment at home.

Of all farming enterprises, milk production has provided the best return per acre for Irish farmers. It is no surprise, therefore, to find that milk is now produced by half the country's farmers, 85,000 producing milk for manufacture into butter, skim milk powder and cheese while 10,000 dairy farmers specialise in liquid milk. Of the total output of over 800m. gallons, about 600m. is exported as dairy products, mainly to Britain. New markets are being developed in West Germany, Italy and Belgium while considerable exports exist to North America and other markets.

Having advised farmers in recent years to move into milk production, the Government is certain to oppose any move by the EEC to provide incentives for farmers to switch now from milk to other lines because of the surplus of dairy products in the Community. The Irish climate is particularly suitable for milk production. Cattle can be fed relatively cheaply on grass from April to October when the bulk of the milk is produced. In other EEC countries, milk production depends heavily on a wider use of fertilisers and feeding stuffs. Some Irish creameries are now providing a bonus of 2p per gallon to encourage farmers to produce milk between November and March. In this way the creameries hope to make better use of their plant in the winter months and avoid the obligation to invest in additional machinery to cope with the heavy supplies in the fattening peak period.

For the past two years, the Government has encouraged farmers to increase the tillage acreage in order to reduce imports of grain which account for 50 per cent. of consumption. The campaign has met with considerable success notably in the sugar beet sector where production increased by 50 per cent.

last year to 1.3m. tons and left the country self-sufficient.

With farmers about to enjoy better returns following the EEC annual review of prices, the Irish Government is being pushed by the National Economic Council (NESC) and the country's trade unions to extend the income-tax code to 90,000 farmers. At the moment only 9,000 of the biggest farmers which have a Poor Law Valuation (PLV) of over £100 are subject to taxation. Others pay £3 to £5 an acre and sometimes substantially more, in local rates, though all small holdings are excluded.

The NESC plan envisages that instead of the present figure of 9,000, a total of 18,000 farmers should be brought into the tax-net by 1978, 30,000 by 1980, and 90,000 after 1980.

Farmers, who if of any size traditionally support the major coalition partners in the Government, are having second thoughts about their political commitments and, not surprisingly, have pledged that they will oppose an extension of the taxation. Their main argument is that the system of taxation was primarily designed for industry and commerce and is not suited to farming. The Government now has to decide whether to widen the taxation net or face the wrath of the powerful agricultural trade unions.

Jack Fagan
Irish Times

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IRELAND III

Northern influence

A WARM late October Sunday morning in Dublin in last year, such other things as issuing the city's fashionable Dawson Street just around the corner from the Dail (Parliament) buildings is cordoned off. Knots of blue uniformed Garda police the crowd barriers and through the O'Connell, the Provisional IRA's occasional motorist who has the Chief of Staff, is inside Portlaoise prison serving a 12-month sentence for IRA membership.

A pretty blonde Scandinavian girl emerges from the Royal Hibernian Hotel in Dawson Street to find herself at the centre of what is clearly an official function. Streams of passholders are making their way into a large building opposite. "What's going on?" I overheard her ask her companion, an elderly Irishman. "Oh, it's the Provisional Sinn Féin ordinals, their annual conference." "But I thought they were terrorists," she says, surprised. "Well, yes and no," he explains. Apparently a taciturn man, he doubtless feels that the short answer is almost as good as the long and a slight less confusing. Quite so, for inside the build-

ing the conference is, among degrees of Irish nationalism, Fianna Fail, traditionally the ruling party and so unused to opposition that its disarray seems to grow with each month of the three years it has now been out of office, has of late sought to make up lost ground by capitalising on its more Republican position on Northern Ireland.

Last autumn it hardened its line by calling on the British Government to declare its intention of withdrawing from Northern Ireland. Nor "precipitately" Fianna Fail leader Mr. Jack Lynch hurriedly added after a storm of protest from Westminster, but by then it hardly mattered. It had become clear that it was not the British he was fighting but the West Mayo by-election.

The death of West Mayo's longtime Fine Gael incumbent, Mr. Henry Kenny, who was also Parliamentary Secretary to the Finance Minister, at that time opened up for Fianna Fail the hope of winning the Government's Dail majority down to a shaky margin of one if it could capture the seat.

As the big guns from both sides poured into West Mayo in support of the two youthful candidates put up by Fianna Fail and Fine Gael (the latter, party in traditional Irish style, defended the seat with Mr. Kenny's 24-year old son, Enda), it became clear that the issues were not just the economic problems of the underprivileged and rural West. Northern Ireland, true to form, was soon enjoying a disproportionate importance in the electoral campaign.

The contesting positions of Government and opposition were clear enough. The former believed that for the foreseeable future Britain must stay in Northern Ireland, while Mr. Lynch's Party had come down heavily on the side of an ordered withdrawal, also in the foreseeable future—thus ending up closer to Provisional Sinn Féin, for example, and measurably further away from Fine Gael and Labour than at any time since the troubles began.

During its three years in power, Mr. Liam Cosgrave's Government has taken an increasingly tough line against IRA activities, maintaining that

even passive support in the South for Republican extremism is all but dead. Judging by West Mayo, they are right, for the seat was handsomely retained by Enda Kenny and the pundits promptly blamed Fianna Fail's poor showing on the Party's new Northern Ireland policies.

Loyalties

Of course, you cannot really draw too heavily on by-election results, especially in Ireland where old loyalties and past favours often carry more weight than political stances. It was enough, though, to persuade Mr. Lynch to temper his position on the North. Of late he has muddled the issue by claiming to have a solution: to the Northern Ireland power-sharing impasse, while refusing to divulge it on the grounds that that would be "irresponsible."

Looked at coldly, in fact, Mr. Lynch is not doing well in opposition and his sorry performance is made all the more remarkable by the difficult economic conditions in which the Cosgrave Government has had to cut its political teeth. Often pushed by its Labour partners—who in Ireland do not so much represent workers as conscience—the Government's boost to social services spending at a time of general recession has produced a succession of unpalatable Budgetary measures.

In the 44 years since it first took office, Fianna Fail has won ten out of 13 General Elections. In the three cases where a coalition Government did briefly oust it, that coalition was never re-elected. Understandably, Fianna Fail views electoral setbacks as little more than exceptions that prove its rule. Until recently, it looked almost benignly on the Cosgrave Government in much that light.

But now realists inside Fianna Fail must be starting to wonder. The Party is dangerously divided, and there are suggestions that Mr. Lynch in the next year could even be forced to defend his position in a leadership battle. The split and the possibility of a leadership challenge are not exactly the same, thus adding to the general impression that the Party is at sixes and sevens.

Both stem, however, from Mr. Lynch's unceremonious sacking of three of his senior

Ministers in 1971 on the suspicion that they were involved in gun-running. One of them, ex-Finance Minister Charles J. Haughey, has since been "rehabilitated," as the Irish political commentators insist on putting it despite the term's unfortunate overtones.

Mr. Haughey is a formidable figure, generally acknowledged to be the man who must lead the Party if Fianna Fail loses the next General Election. But there are signs that despite his forgive-and-forget protestations of loyalty to Mr. Lynch, Mr. Haughey may not be altogether willing to wait. He is reported to have urged the new "British out" Northern Ireland line on Mr. Lynch in October, and then blamed his leader when West Mayo was lost in November.

Another gunrunning casualty was ex-Agriculture Minister Mr. Neil Blaney, to whom, despite Mr. Haughey's continued urgings, Mr. Lynch adamantly refuses to return the Fianna Fail whip. But Mr. Blaney is about to come into his own, for another by-election must shortly be fought following the death of the Fianna Fail member for North East Donegal.

It so happens that Mr. Blaney also sits for North East Donegal. It is a large constituency and under proportional representation returns three members to the Dail. The third seat belongs to Fine Gael, but the one that is now vacant is in Blaney territory.

Indeed, barring electoral quirks, it is almost in the Blaney gift. As a result, Mr. Blaney is threatening to vent his displeasure with Mr. Lynch by running a "Blaney" independent candidate and thus splitting the Fianna Fail vote. The risk is that in so doing a normally cast-iron Fianna Fail seat might even fall to Fine Gael by default.

Unless Mr. Lynch can gracefully backtrack and reinstate Mr. Blaney, he faces the prospect of an embarrassing public split at the hustings or the Government's overall majority in the Dail rising to five. And in Ireland that is a healthy enough margin.

Possibility

Even when West Mayo raised the possibility of the Govern-



ment having to operate on a very slim majority, Mr. Cosgrave never seemed inclined to go to the country. It is not his nature to be pushed into actions, and even if feedback from the constituency grassroots were ever to assure him of sweeping gains it is far from sure that he would choose to disrupt the even tenor of his administration by fighting an election that was not strictly necessary.

This is possibly the secret of his Government's success. Although relatively new boys, his Cabinet seem remarkably self-assured—sometimes, perhaps, the point of insensitivity. Fianna Fail may still retain its position as the largest single party in the Dail, with 67 seats (Fine Gael has 55, Labour 19 and there are two independents), but its talks wistfully of a spring opposition appears fractious and not very constructive. Scarcely ruffled by sniping attacks on its maverick factor in all this is

management of the economy, the Government makes much of getting on with the job.

There are no real ideologies in Irish politics other than those of a gut Republicanism that turns Left into Right and vice versa. Thus a decision it had already taken to postpone the introduction of national insurance, represents rural and urban working classes on equal terms, the more old-fashioned virtues of private enterprise. But increasingly central theme of its plan for there is a philosophical divide between Government and opposition, with the former Party appearing to retain much of its cards.

For all his own problems, "Honest Jack" Lynch must currently be drawing a good deal of comfort from this knowledge that this coalition, like all its predecessors, contains the seeds of its own destruction.

Giles Merritt

Rough

CONTINUED FROM PAGE 1

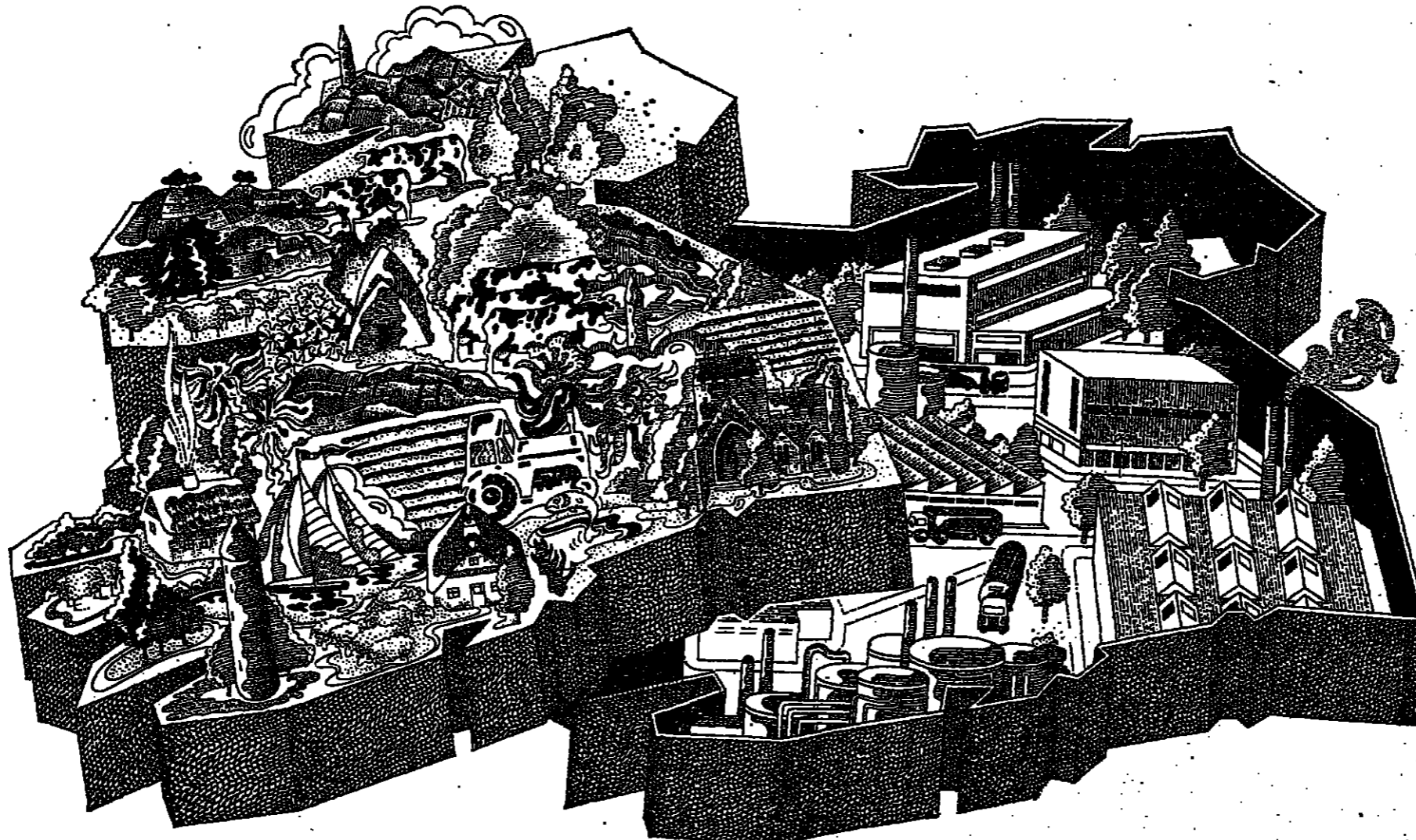
if only to justify its position as the Community's happiest beneficiary, Ireland responded with such important initiatives as the Euro-Arab dialogue, aimed at promoting co-operation between the Nine and the Arab world.

This year, Ireland is no longer the blue-eyed boy of Brussels. It has discovered that national interest, which once it chided other, larger EEC countries for succumbing to when they sabotaged Community accord, is a potent force. On one level Dublin has behaved badly over Brussels' directive this year that it implement equal pay. It tried to refuse, prevaricated and lost, launched a vicious personal attack on its own EEC commissioner for his part in the affair, and finally has demanded that the already munificent Community budget should bear the cost.

On a much deeper level, Ireland is worried about the way

the EEC is going. Concerned anyway that Greece's possible membership would mean a re-division of the spoils of the Common Agricultural Policy, it now faces even more dangerous threats.

West Germany's proposals for tighter control of the Community Budget, notably a cut-back in CAP costs, were followed by the Tindemans Report that put the case for a "two-speed" development of the EEC, in which the bigger, stronger members would not be braked so firmly by the need to take their smaller partners along with them. Tiny Ireland, which had once discovered so delightedly that in the European Club all members were equal, is currently preparing to make a fuss. The April 1 summit of the Nine's leaders in Luxembourg may well give Europe a chance to discover that Irish eyes are not forever smiling.



A LITTLE COMPETITION FOR BRITISH INDUSTRY.

OVER £50 MILLION IN CASH TO BE AWARDED THIS YEAR.

1. The Republic of Ireland is predominantly an agricultural country.

TRUE ☐

FALSE ☐

2. Its manufacturing capacity is small in keeping with Ireland's insignificant domestic market.

TRUE ☐

FALSE ☐

3. Ireland has the lowest industrial growth-rate in the EEC.

TRUE ☐

FALSE ☐

4. Ireland's sole natural resource is grass.

TRUE ☐

FALSE ☐

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The Irish government's generous scheme of financial incentives and tax concessions is administered by the Industrial Development Authority. The Authority's Director in the U.K. is Hugh Alston, 28 Bruton Street, London W1X 7DB. Telephone (01) 629 4214. Other overseas offices in Paris, Cologne, Brussels, Copenhagen, New York, Chicago, Los Angeles, Houston, Toronto, Sydney and Tokyo.

Growing threat to jobs

THE PICTURE of shiploads of Irish emigrants departing from the country's shores is deeply embedded in the nation's folk memory. There remains a deep fear of unemployment and forced emigration, and this goes a long way to explain the basis for the attractive incentives accorded to foreign manufacturers by Ireland's Industrial Development Authority (IDA).

But the employment problem has remained with Ireland even through the rapid economic development of the 1960s. In the past 15 months, unemployment has grown rapidly with the effects of economic recession superimposed on the structural faults inherent in the Irish economy. To make matters worse, the traditional Irish escape—emigration—has been sealed up, as unemployment becomes a worldwide, as opposed to an Irish, problem.

While today's unemployment level of 117,000, or around 13 per cent, may turn downwards slightly after the seasonal peak has been reached, there is little likelihood that the number of jobs will fall below 100,000 during 1976. The prospects for the decade ahead are even more frightening. In a study published last year Professor Brendan Walsh estimated that on the assumption of a very low emigration rate, the achievement of a 4 per cent unemployment rate by 1986 would entail the creation of 30,000 new jobs annually in the 15-year period from 1971 to 1986.

Undershot

This is a much higher rate of job creation than has been achieved in the past. In view of the fact that the targets for 1971 to 1975 have been woefully undershot, the achievement of the 1986 target is virtually out of the question. In its end-year review for 1975, IDA estimated that despite its manifold efforts, manufacturing employment actually fell by about 20,000 during 1975. In 1974, there was a net job loss of 4,000 in the manufacturing sector.

Since Ireland's economic "take-off" in the late 1950s, the encouragement of foreign investment in Ireland has been one of the major instruments of the country's economic policy. But the international economic recession is now taking its toll. A number of prestigious projects have been either lost or postponed in the year. In March, 1975, Du Pont shelved negotiations for setting up a major industrial complex in Cork, while in December, Alcan's £150m. development on the Shannon estuary was postponed until there is an upturn in business. The IDA received a further bodyblow in the autumn, with the kidnapping of Dr. Tiede Herrema, chief executive of Ferenka, a subsidiary of the Dutch multinational Akzo had been established in Ireland, not only between the under IDA auspices. Obviously, traditional sector of Irish

international industrial over-capacity together with very natural fears about the Irish political situation is not the most tempting recipe for attracting foreign investment.

In 1975, IDA gave approval to projects which will provide employment for about 17,500 people when the new factories have reached their full output targets. The investment level associated with these projects is in excess of £30m.

Of the foreign groups attracted to Ireland by the IDA scheme, most of the interest in recent years has been concentrated in a small number of industrial sectors. These include pharmaceuticals, "healthcare" products and certain areas of the textile industry.

However, the IDA's policy of fostering industrial development through attracting foreign companies to Ireland has not gone unchallenged. It has been argued that the IDA is concentrating on developing industries with a very high technological content, which in turn necessitates a very high level of capital employed. Dr. Kieran Kennedy, Director of the Economic and Social Research Institute, has argued that this policy of industrialisation cannot provide sufficient jobs to meet the requirements of a growing population.

Instead, he contends that the very scarce capital resources available in the Irish economy would be better utilised if they were allocated to labour-intensive as opposed to capital-intensive projects.

The IDA has about £50m. available to it annually to promote industrial development. It uses this to provide non-repayable grants towards fixed assets, re-equipment, and modernisation and training grants for both new and existing projects.

At present the IDA is limited to paying £5,000 towards the cost of each industrial job created, and the average grant cost per job is somewhat below this. But the total investment—including the company's own investment and the IDA's contribution towards the capital cost associated with the creation of each new industrial job is now approaching £15,000.

But against the Kennedy thesis, the IDA argues that high capital intensity is now a fact of life with all new industrial projects. Because of rising costs, even labour-intensive projects require a high level of capital employed.

It also contends that a more modern and secure industrial base can be established with the location of high-technology industry in Ireland. Alcan's £150m. development on the Shannon estuary was postponed until there is an upturn in business. The IDA received a further bodyblow in the autumn, with the kidnapping of Dr. Tiede Herrema, chief executive of Ferenka, a subsidiary of the Dutch multinational Akzo had been established in Ireland, not only between the under IDA auspices. Obviously, traditional sector of Irish

Here it has been argued that there is a high degree of separateness established in Ireland, not only between the under IDA auspices. Obviously, traditional sector of Irish

industry and the new foreign sector, but also between the sector comprised of subsidiaries of British companies which have been established here for many years, and the foreign sector.

Recent research has shown that the foreign companies function as branches of the parent company rather than as independent units. In addition, they are considerably more sophisticated, both managerially and technologically, than either the old-established Irish or British concerns operating in the country.

The level of gross industrial investment has never been particularly high in Ireland. In the current recession it has declined further. The Economic and Social Research Institute estimates that gross fixed capital formation amounted to £717m. in 1974; this represented 24.6 per cent. of Gross National Product in that year. In 1975, while gross investment rose to £800m. in money terms, inflation accounted for much of this, and a volume fall of 6 per cent. is estimated to have occurred.

Unused

In view of the high level of unused capacity and declining profit levels during 1975, it would be difficult to envisage a rise in gross investment in the current year. The ESRI predicts a further fall of 5 per cent. in gross investment in the current year. This would reduce gross investment as a proportion of GNP to 21.5 per

cent. in 1976, more than three per cent. points below the 1974 level.

Besides the very understandable unwillingness of the private sector to increase investment in the current recessionary climate, there is a further problem. Much of the gross fixed capital formation in Ireland is financed by the Government through its public capital programme. In fact, figures published by the European Investment Bank showed that 43 per cent. of total investment in Ireland is financed either directly or indirectly by the State—a much higher ratio than in any other EEC country.

In some sectors the State's involvement is even higher. It has been estimated that the State finances 68 per cent. of the construction and building output. But because of the recession, the consequent loss of tax buoyancy and the over-gearing of the State is unable to use its capital spending programme as an instrument to counteract the downturn in the cycle. Thus, by virtue of the country's dependence on the State to finance investment (or lack of ability to do so), in times of recession new investment, as opposed to replacement, virtually collapses.

Lower profit levels and the need for increased funds to finance working capital in the current inflation has killed the Irish private sector's interest in new investment. In 1974 the

pre-interest cum pre-tax profits of all Irish publicly quoted companies amounted to £74m. This represented a 45 per cent. rise on the 1973 figure, and the return on capital employed rose from 14.1 per cent. to 15.7 per cent.

However, in 1975 pre-interest and tax profits actually fell by £7m. to £67m., and the return on capital employed declined to 11.3 per cent. When account is taken of the 20 per cent.-plus rate of inflation during 1975, the real fall in corporate profits was close to 30 per cent.

There are indications that profits may well recover during the current trading (as opposed to reporting) year. Lower interest rates will reduce interest charges on companies which have been forced to increase their gearing in the past three years. There is also some evidence that consumer spending increased in the final months of 1975, though it is not known how long this resurgence will continue.

But the medium-term outlook, both for profits and investment, remains poor. There is still little evidence of any sustained upturn in the Irish economy, and the increase in indirect taxation imposed in the recent Budget will siphon off further consumer expenditure from the domestic economy, while at the same time raising the inflation rate towards 17 per cent. this year.

Paul Tansey

Economics Correspondent,
Irish Times

Tourism theme revamped

AFTER SEVEN years of living under the cloud of violence, tourism in the Irish Republic has been forced to take a hard look at itself. Under a new plan, the emphasis will be switched from marketing abroad to the improvement of tourist facilities at home.

This change of strategy is designed to strengthen Ireland's appeal as a holiday destination and increase the number of incoming tourists by 30 per cent. between now and 1980. Should the plan succeed, revenue during the period is expected to rise by over a third in real terms to a total of £250m.

Despite the setbacks of recent years, tourism is still a vitally important industry in the Republic as an earner of foreign currency. It brought in £161m. in 1975, but with earnings hardly keeping pace with inflation its importance is being gradually eroded. In 1963, for instance, receipts from tourism amounted to 17 per cent. of all exports; in 1975, the proportion was down to 7.9 per cent.

In the past tourism was allowed to develop haphazardly. Little care was taken to ensure that value for money was obtained as long as the foreigners continued to arrive. The greatest importance was placed on the image compounded by bog roads, bubbling streams and smiling Irish eyes.

The shock of a recession in the industry, largely a by-product of the violence on both sides of the border, has now produced a new realisation that the country pictured in tourist brochures is not the country most tourists see. The literature overlooked the fact that Ireland is changing rapidly through increased industrialisation, and increased pollution.

Detailed

With this realisation, the Tourist Board has launched an immensely detailed plan (costing £50m.) which attempts to put the record straight, and plots the course of all tourist developments within the country up to 1980.

The plan provides the first comprehensive framework within which the industry is to develop. It replaces the previous efforts to provide only basic facilities with a carefully worked-out strategy for linking development into packages of facilities.

The plan begins from the basic truism that the Irish tourist industry rests on the quality of the environment in its many aspects. It accepts too that economic progress at home has meant that the country's distinctiveness as a holiday country has come under pressure. "It is now recognised," says the tourist board, "as realistic rather than alarmist to say that there is a real danger that the tourism product could be eroded completely and that tourism as we know it could collapse."

To protect the physical environment, the Tourist Board has ruled that important tourist areas should be given formal recognition as "designated

vacuum and kept the figures around the same level in the last six years.

Quite surprisingly, the balance of tourism between Britain and the Republic has been in Britain's favour in recent years. British visitors contributed £38m. to Irish tourism receipts in 1974; the latest date for which complete figures are available. In the same year people from the Republic spent over £40m. in Britain.

Of the three markets on which Ireland is largely dependent, Europe is the only one which has no ethnic content and the only one which has grown steadily in recent years. In 1975 arrivals from Continental Europe increased by 11.5 per cent.; the previous year produced a growth of 9 per cent. For this reason, an increased share of the Tourist Board's £10m. budget is being spent in W. Germany, France and Holland. Ireland's appeal in these countries is based on interests in fishing, golf, mountaineering, motorcycling, horse-riding and game shooting. One of the advantages of this approach is that sporting holidays extend beyond the peak summer months.

The more immediate problems to be tackled include the substandard accommodation in some areas, the low level of hygiene and the serious position of game fishing brought about by water pollution and depletion of stock.

While all these matters can be improved without much difficulty, the main anxiety in the industry at the moment is that the recent Budget, in which the Government put substantial price increase on petrol and drink and again forced up the cost of hotel accommodation, could lessen the chances of an early recovery. Increased taxation has put petrol up to 88p a gallon, a pint of beer to at least 38p and raised the cost of hotel services by 3 per cent.

Despite these increases, the Tourist Board claims that Ireland still offers a competitively priced holiday. Hotel accommodation in particular is deemed to be moderately priced by international standards.

A survey carried out shortly before the Budget showed that in spite of a high rate of inflation there was little overall change in the cost of an Irish holiday over five years for those travelling from the three principal markets—Britain, the U.S. and Europe. Prices for visitors from Britain were about the same in 1970 as in 1975; Ireland was 15 per cent. more expensive for Americans, but 2 per cent. cheaper for the French and 3 per cent. for the West Germans.

Irish tourism has been in the doldrums since the outbreak of violence in Northern Ireland in 1969. In those seven years, it is estimated, the Republic lost over 2.3m. visitors from Britain and North America as a direct result of the troubles. Tourism is worse off now than it was ten years ago. Last year foreign tourists numbered 1.7m., 45,000 fewer than in 1965.

Almost half the visitors came from Britain, the market which largely dictates how Irish tourism ultimately fares. Last year, arrivals from Britain did not show any significant increase but the 817,000 visitors included a sizeable number of "Pure" tourists who had stopped coming to Ireland in recent years because of the activities of the Provisional IRA. The vast majority, though, were Irish emigrants who have filled the

Americans

So far Ireland has come out quite well from the overall decline in the number of Americans coming to Europe. Visitors to Ireland have increased steadily but slightly at a time when most European countries were noticing the shortage of dollars.

Hoping to improve on last year's performance, when 255,000 Americans took vacations in Ireland, the State airline Aer Lingus is increasing its U.S. promotional budget by 50 per cent. to \$500,000 and switching 35 per cent. of its North Atlantic capacity from scheduled to charter flights.

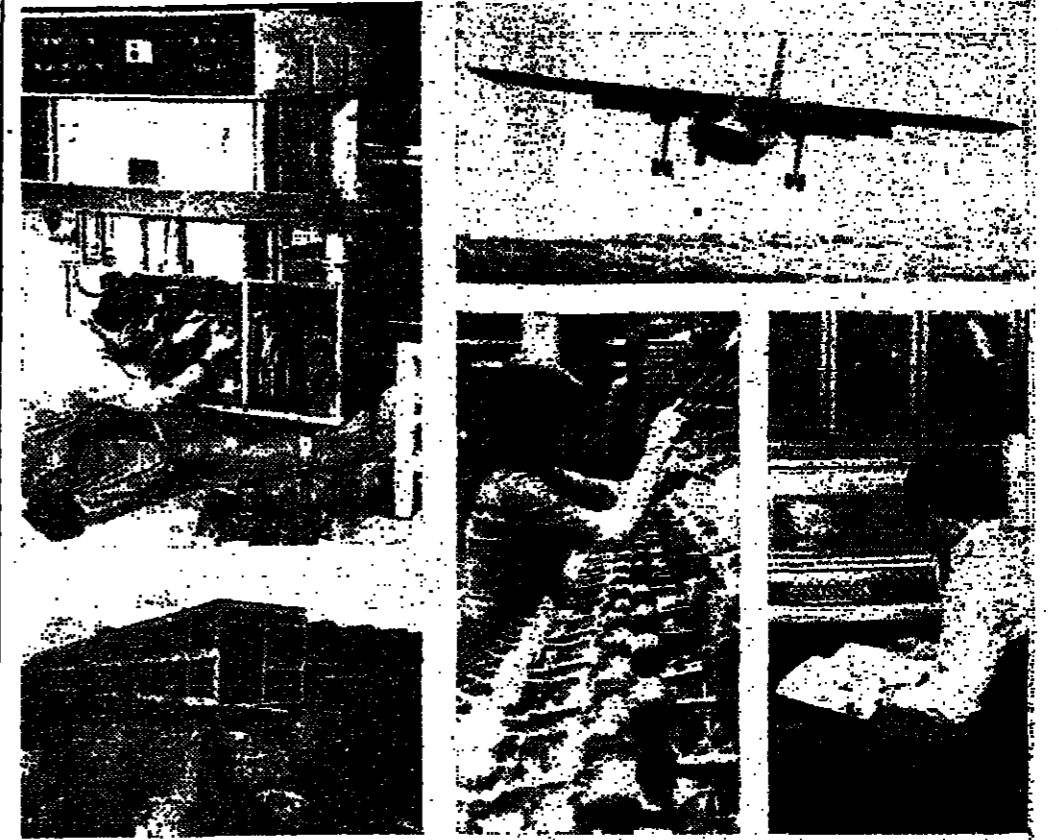
Even with a reasonable growth on this route, the airline is budgeting for another sizeable loss this summer. In the last two years, Atlantic services ran losses of £8m. as a result of the uneconomic fare structure and competition from U.S. charter airlines.

Despite an overall operating deficit of more than £10m. in 1974 and 1975, the company is pushing ahead with a diversification programme designed to underpin airline services. To date about £17m. has been invested in hotels and catering, aviation-related services, financial, travel and computer activities. The most recent investment involved the leasing of 21 U.S. hotels from the Dunfey group at a cost of £2m. The airline is to press on with further diversification having received Government approval to invest up to 33 per cent. of its capital in associated activities.

Aer Lingus does not entertain much hope of making money on its airline services in the immediate future; it sees better prospects in the world of commerce—in short, in tourism.

Jack Fagan

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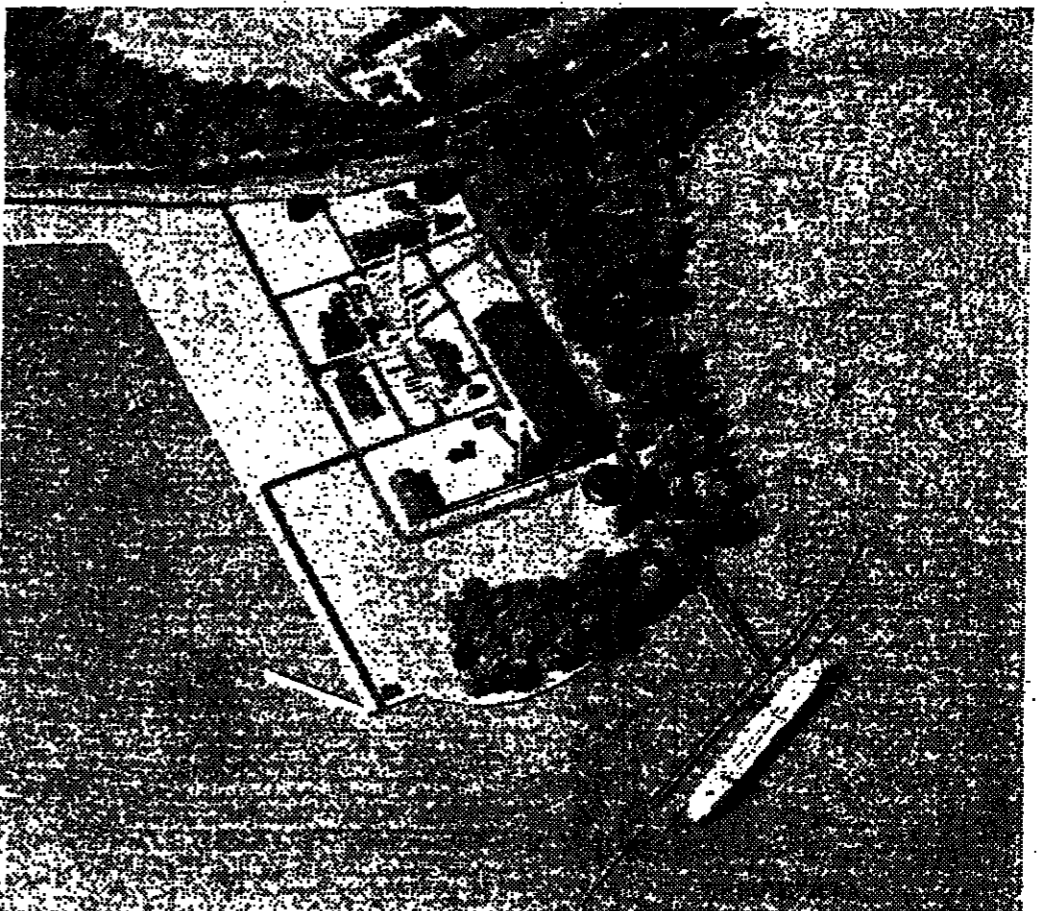


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HOTELS—Continued

1978	High	Low	Stock	Price	Div	Yield	1977	High	Low	Stock	Price	Div	Yield
101	101	101	101	101	101	101	101	101	101	101	101	101	101
102	102	102	102	102	102	102	102	102	102	102	102	102	102
103	103	103	103	103	103	103	103	103	103	103	103	103	103
104	104	104	104	104	104	104	104	104	104	104	104	104	104
105	105	105	105	105	105	105	105	105	105	105	105	105	105

INDUSTRIALS (Contd.)

1978	High	Low	Stock	Price	Div	Yield	1977	High	Low	Stock	Price	Div	Yield
106	106	106	106	106	106	106	106	106	106	106	106	106	106
107	107	107	107	107	107	107	107	107	107	107	107	107	107
108	108	108	108	108	108	108	108	108	108	108	108	108	108
109	109	109	109	109	109	109	109	109	109	109	109	109	109
110	110	110	110	110	110	110	110	110	110	110	110	110	110

HOTELS—Continued

1978	High	Low	Stock	Price	Div	Yield	1977	High	Low	Stock	Price	Div	Yield
111	111	111	111	111	111	111	111	111	111	111	111	111	111
112	112	112	112	112	112	112	112	112	112	112	112	112	112
113	113	113	113	113	113	113	113	113	113	113	113	113	113
114	114	114	114	114	114	114	114	114	114	114	114	114	114
115	115	115	115	115	115	115	115	115	115	115	115	115	115

INDUSTRIALS (Contd.)

1978	High	Low	Stock	Price	Div	Yield	1977	High	Low	Stock	Price	Div	Yield
116	116	116	116	116	116	116	116	116	116	116	116	116	116
117	117	117	117	117	117	117	117	117	117	117	117	117	117
118	118	118	118	118	118	118	118	118	118	118	118	118	118
119	119	119	119	119	119	119	119	119	119	119	119	119	119
120	120	120	120	120	120	120	120	120	120	120	120	120	120

HOTELS—Continued

1978	High	Low	Stock	Price	Div	Yield	1977	High	Low	Stock	Price	Div	Yield
121	121	121	121	121	121	121	121	121	121	121	121	121	121
122	122	122	122	122	122	122	122	122	122	122	122	122	122
123	123	123	123	123	123	123	123	123	123	123	123	123	123
124	124	124	124	124	124	124	124	124	124	124	124	124	124
125	125	125	125	125	125	125	125	125	125	125	125	125	125

INDUSTRIALS (Contd.)

1978	High	Low	Stock	Price	Div	Yield	1977	High	Low	Stock	Price	Div	Yield
126	126	126	126	126	126	126	126	126	126	126	126	126	126
127	127	127	127	127	127	127	127	127	127	127	127	127	127
128	128	128	128	128	128	128	128	128	128	128	128	128	128
129	129	129	129	129	129	129	129	129	129	129	129	129	129
130	130	130	130	130	130	130	130	130	130	130	130	130	130

HOTELS—Continued

1978	High	Low	Stock	Price	Div	Yield	1977	High	Low	Stock	Price	Div	Yield
131	131	131	131	131	131	131	131	131	131	131	131	131	131
132	132	132	132	132	132	132	132	132	132	132	132	132	132
133	133	133	133	133	133	133	133	133	133	133	133	133	133
134	134	134	134	134	134	134	134	134	134	134	134	134	134
135	135	135	135	135	135	135	135	135	135	135	135	135	135

INDUSTRIALS (Contd.)

1978	High	Low	Stock	Price	Div	Yield	1977	High	Low	Stock	Price	Div	Yield
136	136	136	136	136	136	136	136	136	136	136	136	136	136
137	137	137	137	137	137	137	137	137	137	137	137	137	137
138	138	138	138	138	138	138	138	138	138	138	138	138	138
139	139	139	139	139	139	139	139	139	139	139	139	139	139
140	140	140	140	140	140	140	140	140	140	140	140	140	140

*BRITISH FUNDS

1978	High	Low	Stock	Price	Div	Yield	1977	High	Low	Stock	Price	Div	Yield
141	141	141	141	141	141	141	141	141	141	141	141	141	141
142	142	142	142	142	142	142	142	142	142	142	142	142	142
143	143	143	143	143	143	143	143	143	143	143	143	143	143
144	144	144	144	144	144	144	144	144	144	144	144	144	144
145	145	145	145	145	145	145	145	145	145	145	145	145	145

*OVERSEAS FUNDS

1978	High	Low	Stock	Price	Div	Yield	1977	High	Low	Stock	Price	Div	Yield
146	146	146	146	146	146	146	146	146	146	146	146	146	146
147	147	147	147	147	147	147	147	147	147	147	147	147	147
148	148	148	148	148	148	148	148	148	148	148	148	148	148
149	149	149	149	149	149	149	149	149	149	149	149	149	149
150	150	150	150	150	150	150	150	150	150	150	150	150	150

*INTERNATIONAL BANK

1978	High	Low	Stock	Price	Div	Yield	1977	High	Low	Stock	Price	Div	Yield
151	151	151	151	151	151	151	151	151	151	151	151	151	151
152	152	152	152	152	152	152	152	152	152	152	152	152	152
153	153	153	153	153	153	153	153	153	153	153	153	153	153
154	154	154	154	154	154	154	154	154	154	154	154	154	154
155	155	155	155	155	155	155	155	155	155	155	155	155	155

*CORPORATION BONDS

1978	High	Low	Stock	Price	Div	Yield	1977	High	Low	Stock	Price	Div	Yield
156	156	156	156	156	156	156	156	156	156	156	156	156	156
157	157	157	157	157	157	157	157	157	157	157	157	157	157
158	158	158	158	158	158	158	158	158	158	158	158	158	158
159	159	159	159	159	159	159	159	159	159	159	159	159	159
160	160	160	160	160	160	160	160	160	160	160	160	160	160

*FOREIGN BONDS & RAILS

1978	High	Low	Stock	Price	Div	Yield	1977	High	Low	Stock	Price	Div	Yield
161	161	161	161	161	161	161	161	161	161	161	161	161	161
162	162	162	162	162	162	162	162	162	162	162	162	162	162
163	163	163	163	163	163	163	163	163	163	163	163	163	163
164	164	164	164	164	164	164	164	164	164	164	164	164	164
165	165	165	165	165	165	165	165	165	165	165	165	165	165

*AMERICANS

1978	High	Low	Stock	Price	Div	Yield	1977	High	Low	Stock	Price	Div	Yield
166	166	166	166	166	166	166	166	166	166	166	166	166	166
167	167	167	167	167	167	167	167	167	167	167	167	167	167
168	168	168	168	168	168	168	168	168	168	168	168	168	168
169	169	169	169	169	169	169	169	169	169	169	169	169	169
170	170	170	170	170	170	170	170	170	170	170	170	170	170

*CANADIANS

1978	High	Low	Stock	Price	Div	Yield	1977	High	Low	Stock	Price	Div	Yield
171	171	171	171	171	171	171	171	171	171	171	171	171	171
172	172	172	172	172	172	172	172	172	172	172	172	172	172
173	173	173	173	173	173	173	173	173	173	173	173	173	173
174	174	174	174	174	174	174	174	174	174	174	174	174	174
175	175	175	175	175	175	175	175	175	175	175	175	175	175

*BUILDING INDUSTRY—Continued

1978	High	Low	Stock	Price	Div	Yield	1977	High	Low	Stock	Price	Div	Yield
176	176	176	176	176	176	176	176	176	176	176	176	176	176
177	177	177	177	177	177	177	177	177	177	177	177	177	177
178	178	178	178	178	178	178	178	178	178	178	178	178	178
179	179	179	179	179	179	179	179	179	179	179	179	179	179
180	180	180	180										

TRUSTS--Continued

CONV.	PRC	PER	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525
-------	-----	-----	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------

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